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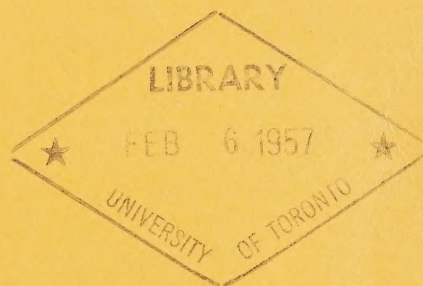




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# Report of the Postmaster General



for the year ended March 31, 1956





Canada, Post Office Dept.

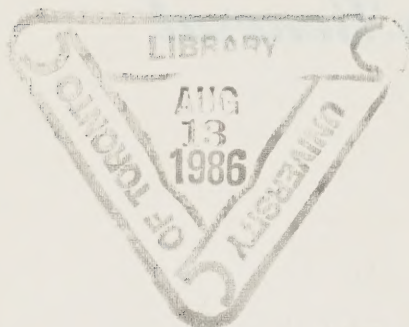
*Report*  
OF THE  
*Postmaster-General*

FOR THE  
*Year Ended March 31*  
*1956*

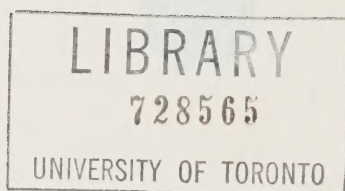


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EDMOND CLOUTIER, C.M.G., O.A., D.S.P.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA 1956



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1955/56







OFFICE OF THE POSTMASTER GENERAL  
CABINET DU MINISTRE DES POSTES

To His Excellency The Right Honourable  
Vincent Massey, C.H., Governor General  
and Commander-In-Chief of Canada.

May It Please Your Excellency:

I have the honour to forward to Your Excellency, the  
accompanying report of the Post Office Department of Canada  
for the year ended March 31, 1956, which is respectfully  
submitted.

I have the Honour to be, Sir,  
Your Excellency's Most Obedient Servant,

Postmaster General

Post Office Department,  
Ottawa, November 15, 1956.







DEPUTY POSTMASTER GENERAL  
SOUS-MINISTRE DES POSTES

*Ottawa* 4, Ont.  
November 10, 1956.

The Honourable Hugues Lapointe, B.A., LL.L., P.C., Q.C.,  
Postmaster General of Canada.

Sir:

I have the honour to submit the Annual Report of the Post Office Department for the fiscal year ended March 31, 1956.

I am pleased to be able to say that public demand on the Department's services has continued its upward trend so that in volume of work accomplished and revenue received, new records have been achieved.

Total revenue for the year amounted to \$158,568,356.49, which against expenditures of \$148,293,474.12, left a favourable balance of \$10,274,882.37.

While this balance is a substantial one, prospective new expenditures in the coming fiscal year will make such demands that continued careful management will be essential to avoid a deficit position. As an indication of the situation now facing us, the general salary increases granted to Civil Servants, effective April 1, 1956, will increase salary outlays by approximately \$6,500,000. Added to this will be increased payments to revenue postmasters of about \$2,500,000, a further rise in budgetary costs due to higher operational outlays, and possible increases in railway rates, already under study by Railway and Post Office Department officials.

From the foregoing, it will be apparent that the major items of increased expenditures are in areas over which the Department has little, or no, control. This is equally true in regard to other operating costs. While, through re-organization, it has been possible in recent years to make substantial reductions in Headquarters staffs, extensions of service and increased mail volume have had the opposite effect in mail handling operations, despite improvements in work arrangements and other efforts at economy. The Postal Service must keep pace with the growth of Canada and for this reason the usual avenues of retrenchment are not open to us.

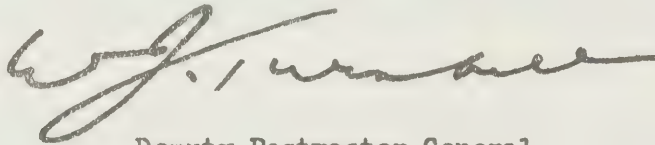
Along with the continued development of postal services within Canada, there was also during the year great activity in the international

sphere. The volume of air mail to other countries has continued to increase, and there have been many developments in the establishment of new and the extension of old services. Canada was represented at the VIIth Congress of the Postal Union of the Americas and Spain at Bogota, Colombia, from October 12, to November 9, 1955, and arrangements are rapidly moving ahead for the XIVth Congress of the Universal Postal Union to be held at Ottawa in August 1957.

The details of operations appended are self-explanatory; they give an outline of a public service which extends to all parts of Canada and to the wide world beyond.

I desire to express my appreciation and that of the officials of the Department for the loyal and devoted service rendered by postal employees both at Headquarters and in the Field.

Respectfully submitted,

A handwritten signature in dark ink, appearing to be 'W. J. ...', written in a cursive style.

Deputy Postmaster General.



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# THE ORGANIZATION OF THE POST OFFICE DEPARTMENT

Postmaster General  
Parliamentary Assistant  
Deputy Postmaster General  
Chief Executive Officer  
Director of Administration  
Director of Financial Services  
Director of Operations  
Director of Personnel  
Director of Transportation

## ADMINISTRATION BRANCH

Budgets, Costs and Estimates Division  
Domestic Mails Division  
International Mails Division  
Investigations Division  
Legal Division  
Public Relations Division  
Purchasing and Stores Division  
Statistical and Office Services Division

## PERSONNEL BRANCH

Personnel Development Division  
Staff Services Division  
Training Division

## FINANCIAL BRANCH

Cash Account Division  
General Financial Division  
Money Order Division  
Postage Stamp Division  
Procedure Control Division  
Savings Bank Division

## TRANSPORTATION BRANCH

Accounts Verification Division  
Air Mail Service Division  
Land Mail Service Division  
Motor Vehicle and City Services Division  
Railway Mail Service Division

## OPERATIONS BRANCH

Buildings Division  
Enquiries Division  
Mechanical Engineering Division  
Postal Services Division  
Revenue Post Office Division  
Staff Post Offices and Estimates Division  
Time Study Division  
Procedures and Examination Division

## REGIONAL DIRECTORS

Maritimes	Moncton, N.B.
Quebec	Montreal, P.Q.
Ontario	Toronto, Ont.
Prairies	Winnipeg, Man.
Pacific	Vancouver, B.C.





## GENERAL INTRODUCTION

Revenues of the Canadian Postal Service continued to increase during the year under review, reflecting the high level of economic prosperity in Canada of recent years. Total income amounted to \$158,568,356.49, which was \$6,851,082.72 more than that of the previous year.

Principal details of the financial record for the fiscal year ended March 31, 1956, were as follows:

### **Revenue:**

Receipts from all sources totalled \$158,568,356.49.

### **Expenditures:**

Payments to postmasters of revenue and semi-staff offices and other outlays direct from revenue, under statutory authority, amounted to \$20,871,734.67. (This amount being deducted from total revenue resulted in transfer of \$137,696,621.82 to the Consolidated Revenue Fund of the Government of Canada.) Expenditures from Parliamentary appropriation totalled \$127,421,739.45, an increase of \$3,810,684.43 over the previous year.

Total expenditures, therefore, including outlays direct from revenue as noted above, were \$148,293,474.12.

### **Overall Balance:**

The above statements of revenues and expenditures indicate a favorable balance for the year of \$10,274,882.37.

### **Items Not Included**

Post Office accounting, no more than is the case with any other Government department, does not take into consideration the value of premises provided free for its use by the Department of Public Works. It also does not take into consideration the value of services it provides free to other Government departments, which is estimated to be in excess of \$5,000,000 per year.

## ADMINISTRATION

Activities included under the heading of administration in the Department are statistical and office services; budgets, costs and estimates; purchasing, printing and the supply of stationery materials; control of all matters affecting domestic and international mails; public relations and investigational activities involved in assuring security of the mails.

### *Domestic Mails*

Details regarding the operations of the Undeliverable Mail Office for the year are given in the Appendix to this Report.

### *International Mails*

Air Parcel Post and Air A.O. Service includes articles other than letters, post cards and parcels, were extended to nineteen countries in Central and South America and the West Indies, and to six additional countries in Europe-Austria, Czechoslovakia, Hungary, Israel, Portugal and Yugoslavia.

The volume of air mail despatched from Canada to other countries continues to increase.

The triennial Universal Postal Union statistics, on which the annual payments of transit charges are based, were taken during May, 1955, and will cover payments for the years 1954, 1955 and 1956. Simplified methods of calculation of charges and of documentation have resulted in the speeding up of the relative accounting between countries of the Union.

Parcel Post Service to the U.S.S.R. was resumed effective August 1, 1955, on the basis of a Parcel Post Agreement between Canada and the Union of Soviet Socialist Republics which was signed for Canada by the Postmaster General in June, 1955.

A revised Parcel Post Agreement with Japan was also signed in February, 1956, and between Canada and Switzerland in February, 1956.

Canada was represented at the VIIth Congress of the Postal Union of the Americas and Spain held in Bogota, Colombia, from October 12 to November 9, 1955. Many proposals of interest were discussed and changes adopted effecting improvement in the postal services between member countries of this union. The Canadian delegation took an active part in the deliberations. The provisions of the Bogota convention became effective on March 1, 1956.

Close liaison with the International Bureau of the Universal Postal Union, Berne, was maintained in connection with technical studies undertaken by the International Bureau.

A conference was also held in Ottawa with officials of the International Bureau, Universal Postal Union, in connection with the preparatory work of the Universal Postal Union Congress to be held in Ottawa in August, 1957. Matters for which the Canadian Post Office Department is responsible in connection with the Congress are well advanced.

Generally speaking, international mail services continue to improve and no opportunity is lost to provide improved services for the mailing public.

### *Cost Control*

Measurement of mail volumes and the assessment of labor costs in relation to work standards based on time studies were extended to sections of the operating services not previously covered. Cost control statements are produced indicating man hours employed, pieces of mail handled and an evaluation made in dollars in relation to standards.

### *Budgets*

The postmaster's cost estimate plan, which provides for a system of budgets and expenditure control in the larger post offices, was extended and now includes seventy-three offices. Progress was also made in applying information provided for staff control and main estimates purposes.

### *Cost Ascertainment*

Triennial cost ascertainment tests were made in October, 1955, and March, 1956 for the purposes of ascertaining the volumes, revenues and expenditures by mail classes and services. Separate tests were conducted throughout the year to establish mail volumes not covered by the cost ascertainment program.

### *Investigations*

Reorganization of the Investigations Division has been completed. Under the direction of the Chief Investigator at Ottawa, investigators are located at major centers across Canada to afford the best possible coverage throughout the service. These investigators deal with the more important cases of robberies, thefts, misappropriation of departmental funds and other irregular-



ities. Their services are also utilized to co-ordinate, supplement or take over cases being dealt with by the investigation units in each of the postal districts, or by area superintendents who confine their efforts to given territories in a district. In all cases, the required liaison is maintained with the police authorities. At Headquarters, the Chief Investigator is assisted by a staff in reviewing all investigational reports and in co-ordinating the functions of the division.

### *Public Relations*

The Department maintains a strong educational program throughout the country directed toward improvement of mailing practices by business firms and the public generally, in order to reduce as much as possible the problem of misdirected mail and in other ways to secure the co-operation of the public in facilitating delivery. It also, through its public relations officers located in the various postal districts, affords a means of direct assistance to patrons in the use of service facilities.

The system of making available to postal patrons "Local" and "Out-Of-Town" labels for use in making the appropriate separations of their Christmas mailings was extended to include all letter carrier offices.

A statement covering the Rural Directories transactions of the Department appears in the Appendix to this report.

### *Purchasing and Stores*

During the year several changes were made in the scheduling of purchases to permit production by manufacturers during the months when there is a seasonal lull in employment. Advanced planning permits a greater volume of required goods to be manufactured during the winter months. This is in accordance with a cabinet directive on winter employment.

In compliance with a Treasury Board directive, the necessary documents were distributed to headquarters branches and the field for compiling an inventory as of March 31, 1956, of office and plant equipment, and of stores in stock at headquarters and ten field postal stores depots.

Arrangements were made whereby the Inspection Services, Department of National Defence, will carry out inspection during manufacture of certain goods purchased by the Post Office Department.

### *Statistical and Office Services*

The program of improvement in office services, methods and procedures was further expanded during the year, with particular emphasis on functions relating to the preparation, production and distribution of printed matter. Progress was made in analysis of headquarters and district office correspondence files for the purpose of completing an inventory of records and drafting a planned program of retention and disposal.

Some of the statistical reports received from the field were specially reviewed with a view to eliminating duplication and decentralizing at field level the keeping of statistics which are not regularly and essentially required at headquarters. Gradual decentralization to district offices was carried out of authority to incur expenditures and effect payment of accounts from district imprest funds.

Studies were pursued in the field of office equipment and systems from a technical point of view as well as in their practical application in administrative and clerical operations. The control exercised over the supply, use and reallocation of office equipment and systems has resulted in appreciable savings to the department.

## FINANCIAL SERVICES

Functions included in Financial Services are audit of cash accounts, money order service, savings bank service, printing and issuing of postage stamps and philatelic service, and control of procedures for financial transactions related to postal revenue and disbursements from postal revenue.

### *Money Orders*

The total number of money orders issued during the year was 49,081,082, an increase of 4.6 percent over the previous year when 46,902,959 money orders were issued. The value of the orders issued was \$725,930,733. as compared with \$690,824,787. for the previous year, an increase of 5.1 percent. The average value per order increased to \$14.79 from \$14.73 in the fiscal year 1954-1955.

The gross revenue from fees was \$6,583,267. as compared with \$6,262,038., an increase of 5.1 percent.

The Notched Money Order is available at 8004 Accounting Post Offices. The Denominative Money Order, for domestic remittances under \$16.00 is available at 3095 Non-Accounting Post Offices and all Accounting Post Offices.

A summary of the general operations of the Money Order system in Canada for the past five years is shown on page 18.

### *Postage Stamps*

Eight new design postage stamps were issued during the year. All were short term special issues that are not reprinted after the limited quantity of the original order is exhausted.

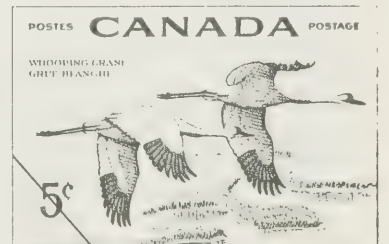
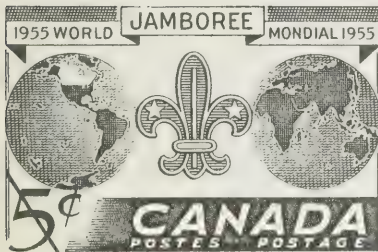
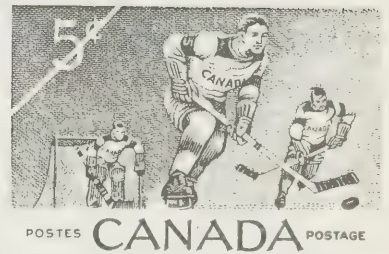
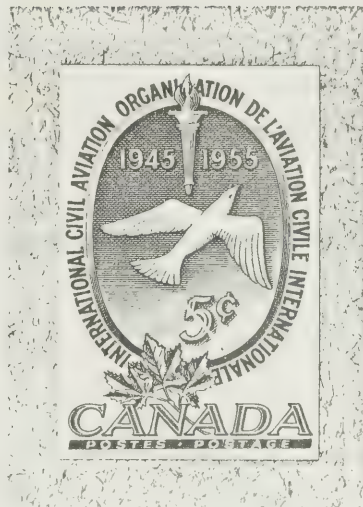
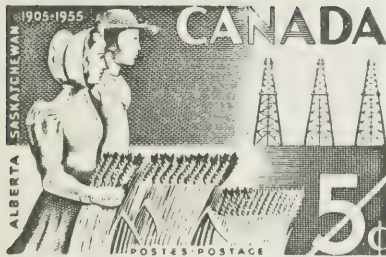
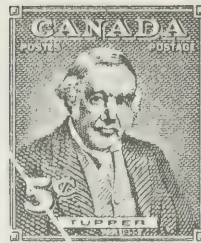
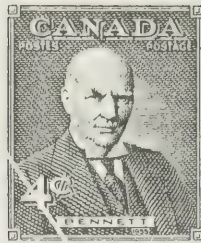
On April 4, 1955, a 4 cent purple stamp was issued illustrating a Musk-ox and a 5 cent blue stamp was issued illustrating two Whooping Cranes in flight. These two postage stamps were issued in support of Canada's National Wildlife Week.

On June 1, 1955, a five cent blue postage stamp was issued to commemorate the International Civil Aviation Organization. On June 30, 1955, a 5 cent blue stamp was also issued to commemorate the jubilee of the provinces of Alberta and Saskatchewan. On August 20, 1955, a 5 cent stamp was issued as a tribute to the International Boy Scout World Jamboree held at Niagara-on-the-Lake, Ontario. This stamp was unusual because it was printed in two colors from two steel line engraved printing plates, green and gold. The practise of honoring former prime ministers was continued on November 8, 1955, when a 4 cent purple stamp was issued portraying the then Hon. Richard Bedford Bennett, and a 5 cent blue stamp introduced portraying the Hon. Sir Charles Tupper. On January 23, 1956, a 5 cent blue stamp was issued illustrating Canada's most popular winter sport, Hockey.

### *Philatelic Revenues*

The following table gives the revenues received from philatelic orders handled by the Financial Branch of the Department during the past five years:

Year	No. of Orders	Net Revenue
1951-52	23,744	\$311,505.96
1952-53	21,604	282,431.34
1953-54	26,545	418,258.26
1954-55	24,505	295,169.03
1955-56	30,254	307,042.45





### *Post Office Savings Bank*

This is a service provided by the Post Office Department to promote thrift.

The amount on deposit at March 31, 1956, was \$36,164,460.12 as compared with \$36,780,666.17 for the previous year.

The table summarizing the operations of the Savings Bank for the past ten years is shown on page 20.

## OPERATIONS

Functions under the heading of Operations in the Department are buildings and accommodation, enquiries regarding mistreated mail, mechanical engineering, postal services, procedures and examinations, revenue post offices, special projects and time studies, staff matters e.g. promotions, discipline, appointments etc.

### *Accommodation*

There were 308 projects for new buildings or additions to existing buildings in the planning stage. This was an increase of 119 projects over last year.

A table showing by provinces the projects completed and under construction during the year 1955-1956 follows:

Province	New Buildings		Additions to Buildings	
	Completed	Under Const.	Completed	Under Const.
Newfoundland .....	1	9	—	—
Prince Edward Island .....	—	1	—	—
Nova Scotia .....	1	6	—	—
New Brunswick .....	4	1	1	—
Quebec .....	6	7	5	2
Ontario .....	6	14	—	3
Manitoba .....	—	1	—	2
Saskatchewan .....	1	7	—	—
Alberta .....	3	2	—	2
British Columbia .....	3	4	1	1
Yukon Territory .....	—	—	—	—
Northwest Territories .....	—	1	—	—
<b>TOTALS .....</b>	<b>25</b>	<b>53</b>	<b>7</b>	<b>10</b>

### *Engineering*

Five hundred stamp vending machines were purchased and placed in service in 182 post offices across Canada.

A new catalogue of standard post office equipment was completed.

The increased volume of mail originating in certain offices resulted in the installation of 14 additional motor driven stamp cancelling machines.

The Post Office Workshop in Ottawa made a wide variety of special and experimental equipment.

### *Enquiries*

Decentralization of several classes of enquiries has now been in effect for two years and has resulted in faster handling of enquiries regarding loss or mistreatment of mail matter.

In the Appendix to this report is a statement of indemnities paid in connection with registered, insured and C.O.D. mail during the fiscal year.

There was a decrease in the number of claims paid respecting domestic and international registered mail and a decrease on the indemnity paid. There was also a slight decrease in claims paid respecting international insured parcels and a decrease in indemnity. There was a very slight increase in claims paid respecting C.O.D. mail and an increase in indemnity paid.

It will be noted from the Appendix that the amount paid from Departmental funds was \$92,131.22 in indemnities, whereas in the previous fiscal year \$86,651.20 was paid, an increase of \$5,080.02. It is considered that with the increased volume of mail of all classes, the increase in total indemnities is not abnormal.

### *Postal Services*

The number of employees in staff post offices and district offices increased as follows:

	Full-time	Part-time	Total
March 31, 1955 .....	19,654	1,522	21,176
March 31, 1956 .....	19,949	1,665	21,614
Increase.....	295	143	

These increases are attributable to the change in status of two post offices to staff post basis, Don Mills and Scarborough, Ont.; the inauguration of Letter Carrier Delivery in some localities previously not receiving this service; extension of letter carrier delivery in communities already receiving this service and increased volume of mail to be handled. A proportional percentage of the increase in the number of employees was due to the additional help required for further extension of the five day week.

Letter carrier delivery service was inaugurated in the following communities:

Downsview, Ont.,	April 18, 1955	10 routes
Scarborough, Ont.,	June 13, 1955	25 routes
Val d'Or, Que.	Aug. 15, 1955	4 routes
Don Mills, Ont.	Dec. 5, 1955	5 routes

In addition to these actual establishments, authority has also been received for the inauguration of letter carrier service at White Rock, B.C., which will go into effect when 90 percent of the homes are provided with suitable mail receptacles.

During 1955 also, letter carrier service was provided to 55,265 points of call situated beyond the previous limits of delivery in communities where letter carrier service was already in effect and another 56,974 homes constructed within former delivery limits were given service. To effect delivery to these 112,239 points of call required the establishment of 184 new letter carrier routes. At the end of the fiscal year 2,349,975 homes and business places were receiving service by letter carrier.

Following the pattern set in previous years, Group Box Service by letter carrier has continued to grow and there are now approximately 1,000 units of such boxes in service providing greatly improved delivery facilities to nearly 10,000 families.

#### *Procedures and Examinations*

Letter carriers have been authorized to comply with any reasonable request made while in the course of their rounds to post ordinary letters that are prepaid and ready for mailing.

The number of departmental examinations conducted in 1955 continued to show an increase over previous years. This is due to an increase in the number of employees and in some measure to those employees who are now taking two annual examinations as against one in 1954

	Number of Examinations Conducted
Written Examinations 1954 .....	11,703
1955 .....	11,985
Case Examinations 1954 .....	7,642
1955 .....	8,203

Experiments have been conducted and a great deal of study given to a new form of examination known as the Multiple Answer type to replace the present written examinations. Further research is being made to determine definitely its adaptability to the requirements of the Postal Service.

#### *Time Studies*

The Time Study and Cost Control program set up in the summer of 1953 was continued and expanded in the fiscal year ended March 31, 1956. Time study units are now operating in the Montreal, Ottawa, Toronto, and Winnipeg Post Offices. As of March 31, control systems based on work standards for the various mail handling tasks covered both the Forward and City Letter mail handling operations in both Montreal and Toronto. The Forward letter mail operations were covered in Ottawa and Winnipeg and it is expected that the City letter mails will be under a control system by June 1956.

The program has resulted in reduction in the cost of operation, brought about by better allotment of staff in relation to work loads and a better sustained working pace. Equally as important as the saving in cost has been the improvement in service which has resulted from more effective use of staff and faster handling of mail.

The system has also made possible a more accurate assessment of staff needs and more accurate forecasting of anticipated work loads.

Improvements have also been made in the systems and procedures in effect in the units already under cost control program. The experience gained through the program has made it possible to effect certain improvements in offices where Time Study units have not yet been established.

## **PERSONNEL**

Activities comprised under the heading of personnel in the department are personnel development, staff services, training and suggestion awards.



In order to give increased emphasis to the development of senior and intermediate officers, the Department has set up a group of supernumerary training positions. The Management Trainee plan came into effect on April 1, 1954 and it is designed to meet one of the major difficulties in taking officers off their regular jobs for special training, that is the difficulty of arranging suitable replacements with acting pay. Officers who have been selected several months prior to the retirement of senior officers have been given short intensive periods of experience or training according to their individual needs.

To meet the necessity of giving headquarters officers at various levels an intimate knowledge of conditions and problems in the field service, ten special training positions are now in use. On a competitive basis, ten intermediate and junior headquarters officers are selected to serve a full year in the field, first at a smaller office, then in a major post office and finally in a district office.

Another approach to supervisory development is a course in work simplification, which had been started at headquarters the previous year and which was extended to all field supervisors during the year under review.

Because of the numerous staff changes, especially at the senior level in the field, two training conferences of Area Superintendents were conducted at headquarters. The Regional Directors continued their program of local conferences for Staff and Semi-staff postmasters.

The Department's program of supervisory appraisals was continued, both in relation to following up the individual recommendations made in the first round of appraisals and in organizing a second bi-annual appraisal. On the basis of the strong support for this program by the operating officials, the second round will include all first-line, as well as more senior supervisors.

These and other activities in the field of personnel development are designed not only to improve the performance of management staff in their present jobs, but also to ensure that the Department has adequate reserves of personnel who are able to take over increased responsibility. Almost half the Department's supervisors are within ten years of retirement, which is considered to be a high average age for management staff, and a long-term program of replacement of supervisors is therefore a major need.

## TRANSPORTATION

Functions comprised under the heading of transportation in the Post Office Department are accounts verification, air mail service, land mail service, motor vehicle services, city services, and railway mail services.

### *Air Mail Services*

During the fiscal year 1955-56 Trans-Canada Air Lines increased the number of flights operating in their domestic service and advantage was taken of the opportunity to provide air mail service for the first time to Kirkland Lake, New Liskeard, Haileybury, Cobalt and Englehart via Earlton Airport, and also to Sept Iles.

Air mail service was therefore inaugurated to six additional points located on routes of Trans-Canada Air Lines and two air mail and two air stage services were established to supersede surface transportation.

Two air stage services were changed from a seasonal to an all year basis and the existing winter service to the North Shore of Quebec was extended to include all classes of mail for a two and one-half month period (viz., Jan. 1 - March 15/56). Limited use was made of a helicopter in Nova Scotia and Newfoundland during the winter months when conventional aircraft were prevented from operating by abnormal weather conditions.

## AIR MAIL STATISTICS

Services	1954-55		1955-56	
	Cost	Mail Ton Miles	Cost	Mail Ton Miles
T.C.A.L. — Domestic .....	\$ 6,200,000	6,192,448	\$ 6,330,000	6,750,359
— Goose Bay.....	6,231	9,604	3,834	6,196
— Transatlantic .....	2,168,224	—	2,086,998	—
— Caribbean .....	8,724	—	7,675	—
— Mexico .....	4,728	—	2,260	—
C.P.A.L. — Domestic .....	1,452,848	622,442	1,463,405	675,342
— International.....	389,840	—	388,272	—
Others .....	651,217	218,816	769,584	250,244
<b>TOTAL .....</b>	<b>\$10,881,812</b>		<b>\$11,052,028</b>	

### *Land Mail Service*

On March 31, 1956, there were 11,829 land mail services in operation. Classification and cost of these services for 1955-56 follow:

	Rural Routes	Stage Services	Side Services	Total
Number	5377	3722	2730	11,829
Cost	\$7,290,574	\$1,572,800	\$2,356,171	\$11,219,545

Householders receiving mail by rural mail delivery totalled 541,500, an increase of 10,000 during the year. The number of rural routes was increased by 55 during the year and 532 extensions were authorized to serve additional householders.

Considerable progress has been made in the development of mail service through the medium of group mail boxes along rural routes and suburban services for the convenience of householders in the more densely populated rural areas and for suburban residents who are not within scope of letter carrier delivery service. More than 1,000 group box units (capable of accommodating 10,000 patrons) have been installed along rural routes and suburban services, and an extensive expansion of this type of service is planned.

### *Increases to Mail Contractors*

Rates to 4,322 contractors were increased under Sections 23 and 33 of the Post Office Act since April 1, 1953. The overall increase amounted to \$994,612, reflecting an average increase to each contract of 18.24%.

### *Motor Vehicle and City Services*

The use of motor vehicles for transporting mails over considerable distances has greatly increased. The continued tendency of the railroads to effect changes in schedules and equipment, unsuitable for mail service purposes, and the actual withdrawal of trains fosters an every growing need for the development of new highway services. Approximately 200 motor vehicle services were in operation at the end of the year of which 59 are new services established during the year.

The operation of mail services by Government owned trucks continues in Ottawa and Windsor, Ont. Cost and efficiency of these operations are closely studied for the purpose of comparative analysis with services performed by private contractors.

Mail transportation requirements in cities and towns continues to increase steadily with the growth in population and business development at the centres. The approximate cost for transportation amounted to some \$6,150,000. This included delivery of almost 25,600,000 parcels at an average cost of 9.26¢ per parcel. Mail was collected from some 16,600 street letter boxes involving approximately 13,000 miles of travel daily.

The Post Office Department continues to defray the cost of transporting letter carriers in the performance of their duties, the cost amounting to some \$500,000 per annum.

Classification and cost of these services for 1955-56 follows:

	Street Letter Boxes	Parcel Post Delivery	Conveyance of L.C.'s	Other City Services	Motor Vehicle Services	Total
Number	269	142	112	246	197	966
Cost	\$1,467,307	\$2,522,237	\$490,082	\$1,540,791	\$1,278,501	\$7,298,918

The above figures do not include cost of transportation provided by Government owned trucks.

#### *Railway Mail Service*

Railway post offices manned by railway mail clerks are in operation on principal trains in all parts of Canada. Railway mail clerks function in the same manner as do clerks and sorters in the regular post offices. Closely allied with railway post offices are baggage car services in which direct mail bags prepared by post offices or railway post offices are exchanged on the route.

Considerable research has been done and is being continued in line with Departmental policy to establish more efficient service. Due to the railways discontinuing certain trains and to changes in frequency of service a number of railway post offices and baggage car services were superseded by motor vehicle services. The following statistical statement will reflect the transportation changes of mail conveyance during 1955-56 fiscal year:

#### **COMPARATIVE STATEMENT OF OPERATIONS RAIL & WATER SERVICES FOR THE FISCAL YEARS 1954-55 AND 1955-56**

	1954-55	1955-56
<b>Railway</b>		
R.P.O.'s in operation .....	160	146
B.C.S.'s in operation .....	833	668
Number of Railway Mail Clerks .....	1,296	1,240
Miles travelled by Railway Mail Clerks .....	54,505,070	52,139,052
Cost of Mail Services by Railway .....	\$14,487,496.67	\$14,255,304.96

#### *Water Mail Service*

Transportation by water forms an important part of mail movement in Canada and to overseas. In the majority of cases, the Department has made satisfactory arrangements with steamship operators for the carriage of mails at the same rate as applied to commodity freight based on the cubic measurement of mail carried.

	1954-55	1955-56
<b>Water</b>		
Number of Domestic Water Routes.....	75	74
Cost of Domestic Water Service .....	\$ 984,145.84	\$964,782.83
Cost of International Service .....	1,288,492.39	1,193,679.14
Top Wharfage .....	45,587.92	48,220.76
<b>Total cost of Mail Services by Water .....</b>	<b>2,318,226.15</b>	<b>2,206,682.73</b>

#### *Eastern Arctic Patrol*

Government ships, private vessels, R.C.M. Police Patrols, Air Stage Services and courtesy flights provided the Eastern Arctic Region with an ever increasing mail service during the fiscal year 1955-56.

Mails carried by R.C.A.F. courtesy flights were on occasion "parachuted" or "free-dropped" to destination due to the inaccessibility of the northern settlements.

There were 544 despatches made during the year, accommodating a total of 36,880 pounds of mail, an increase of 9% over the previous fiscal year.

During the latter part of November 1955, a Christmas "Air Drop" with a total of 4,463 pounds of mail was made at 21 settlements.

Many expressions of appreciation for this service have been received in the Department.



*Appendix*  
TO THE  
*Report*  
OF THE  
*Postmaster-General*

FOR THE  
*Year Ended March 31*  
*1956*



# STATEMENT OF REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease *
	1954-55	1955-56	
<b>POSTAGE PAID:</b>			
By means of Postage Stamps	\$ 74,583,720.64	\$ 75,559,106.18	\$ 975,385.54
By means of Meter and Register Impressions .....	53,993,994.74	58,918,289.17	4,924,294.43
<i>In Cash:</i>			
First Class Matter.....	203,991.79	261,373.29	57,381.50
Second Class Matter (newspapers and periodicals) .....	5,889,818.56	6,025,473.62	135,655.06
Third Class Matter (books, catalogues, circulars, hand- bills and other printed matter) .....	5,089,812.87	5,237,955.17	148,142.30
Fourth Class Matter (catalogues mailed from zone centres at parcel post rates, and samples of merchan- dise mailed under special permit) .....	338,822.59	253,409.88	85,412.71*
<b>Total postage paid .....</b>	<b>\$140,100,161.19</b>	<b>\$146,255,607.31</b>	<b>\$6,155,446.12</b>
Rental of Post Office Boxes .....	1,427,989.82	1,513,097.76	85,107.94
Fees on Postal Money Orders.....	6,262,037.60	6,583,267.09	321,229.49
Commission collected from foreign countries on foreign Money Orders payable in Canada.....	879.27	995.11	115.84
Profit in exchange on postal transactions with other countries .....	164,216.21	151,465.67	12,750.54*
Credits on parcels received from foreign countries for delivery in Canada.....	1,716,608.82	1,926,965.23	210,356.41
Credits for the transit of foreign Air Mail in Canada, and other transit charges.....	1,113,124.08	896,904.72	216,219.36*
Sale of Rural Mail Boxes.....	78,584.00	69,636.00	8,948.00*
<i>Miscellaneous Revenue:</i>			
Payment received from the Unemployment Insurance Commission for distributing and selling Unemployment Insurance Stamps .....	726,938.66	773,555.71	46,617.05
Payment received from the Department of Labour for collecting Government Annuity Premiums .....	45,980.84	48,644.68	2,663.84
Sundry Revenue Items .....	45,802.51	66,182.56	20,380.05
<b>TOTAL REVENUE RECEIPTS .....</b>	<b>\$151,682,323.00</b>	<b>\$158,286,321.84</b>	<b>\$6,603,998.84</b>
<b>Other Receipts:</b>			
Return on Investments .....	\$ —	\$ 460.71	\$ 460.71
Proceeds from Sales .....	\$ 19,385.32	23,283.28	3,897.96
Refund of previous years' Expenditure from Appropriation	10,267.07	249,534.70	239,267.63
Miscellaneous .....	5,298.38	8,755.96	3,457.58
<b>TOTAL OTHER RECEIPTS .....</b>	<b>\$ 34,950.77</b>	<b>\$ 282,034.65</b>	<b>\$ 247,083.88</b>

# STATEMENT OF DISBURSEMENTS FROM REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease*
	1954-55	1955-56	
<b>Salaries and Allowances paid to:</b>			
Revenue Post Offices.....	\$ 8,065,875.15	\$ 8,366,410.28	\$ 300,535.13
Semi-Staff Post Offices .....	7,855,770.99	7,808,764.38	47,006.61*
Sub Post Offices .....	1,647,481.78	1,801,581.35	154,099.57
Discount allowed vendors of postage supplies.....	77,102.25	65,404.84	11,697.41*
Compensation paid to messengers for special del- ivery of letters and parcels .....	321,024.68	339,589.12	18,564.44
Losses by fire, theft, forgery, etc. ....	62,503.81	104,134.26	41,630.45
Commission paid to foreign countries on Canadian Money Orders payable in those countries.....	36,377.19	33,326.22	3,050.97*
Charges on parcels mailed in Canada for delivery in foreign countries .....	1,161,752.55	1,402,215.95	240,463.40
Charges for the transit of Canadian mail forwarded through foreign countries, and on Canadian Air Mail carried to or through foreign countries .....	1,088,284.48	858,177.05	230,107.43*
Indemnities paid in respect of lost, insured, and C.O.D. and registered articles.....	86,051.20	92,131.22	6,080.02
<b>Total Disbursements From Revenue Receipts</b>	<b>\$20,402,224.08</b>	<b>\$20,871,734.67</b>	<b>\$469,510.59</b>



# STATEMENT OF DISBURSEMENTS FROM PARLIAMENTARY APPROPRIATION ENDD MARCH 31, 1956

Classification of Expenditure	Departmental Administration	Operations	Transportation	Financial Services	Total Post Office Department Appropriation Expenditure
Postmaster General's Salary & Motor Car Allowance	\$ 5,986.53*	\$ 664,379.51	\$ 375,625.99	\$ 1,340,055.82	\$ 5,986.53*
Salaries — Headquarters Staff .....	987,332.29	67,183,594.86			3,367,393.61
“ — Outside Services .....		1,177,655.42			67,183,594.86
“ — Night Differential .....		2,710,557.63			1,177,655.42
Overtime Payments for Operating Services .....		66,890.64	50.00		2,710,557.63
Terminable, Northern and Other Allowances .....	2,421.65	782,085.78			69,362.29
Mileage Allowances .....		245,167.93			782,085.78
Boot Allowance .....		435,482.23			245,167.93
Professional and Special Services .....	19,185.84	247,727.83	7,987.75	965.04	454,638.07
Travelling and Removal Expenses .....	48,789.10	47,262.07			305,469.72
Freight, Express and Cartage .....	5,503.09	113,562.15	425.91	670.31	52,765.16
Telephones and Telegrams .....	4,110.35				118,768.72
Publication of Departmental Reports and Other Material .....	54,930.40	70,006.11		2,871.05	127,807.56
Films, Displays, Advertising and Other Informational Publicity .....	183,848.13	415,146.32	16,551.66	56,221.88	183,848.13
Office Stationery, Supplies and Equipment .....	48,862.06			30,625.00	536,781.92
Rental of Accounting Machines .....		669,671.22			30,625.00
Mail Bags .....		485,626.17			669,671.22
Uniforms and Letter Carrier Satchels .....		499,213.47			485,626.17
Materials and Supplies .....		1,840.41			499,213.47
Rentals of Storage Space .....		1,063,343.93			1,840.41
Acquisition of Equipment .....		168,080.16			1,063,343.93
Repairs & Upkeep of Equipment .....	359.91	47,948.54	76,572.72		168,440.07
Rentals of Equipment .....					47,948.54
Rural Mail Delivery Boxes .....					76,572.72
Canada's Share of the Upkeep of the International Bureau at Berne and Montevideo .....	13,276.96				13,276.96
Preliminary Expenses of the Congress of the Universal Postal Union to be held in Ottawa in 1957 .....	10,078.95				10,078.95
Membership in Management Association .....	300.00				300.00
Unemployment Insurance Contributions .....		64,893.13	14,255,304.96		64,893.13
Mail Service by Railway .....					14,255,304.96
Mail Service by Ordinary Land Conveyance including Rural Mail Delivery .....					18,518,463.38
Mail Service by Air .....					11,052,027.67
Mail Service by Water .....					2,206,682.73
Money Order Forms .....					143,792.85
Manufacture of Postage Stamps & Stamped Postage Supplies .....				143,792.85	
Postage Meter & Postage Register Supplies .....					747,241.81
Sundries .....	4,688.93				32,365.12
Gratuities to Families of Deceased Employees .....	3,730.00*	3,676.00	22.10		8,387.03
<b>TOTAL</b>	<b>\$1,393,404.19</b>	<b>\$77,163,811.51</b>	<b>\$46,509,714.87</b>	<b>\$2,354,803.88</b>	<b>\$127,421,739.45</b>

\* Statutory

**COMPARATIVE STATEMENT OF REVENUE AND DISBURSEMENTS**  
**Fiscal Years Ended in 1947 to 1956**

Fiscal Year Ended March 31st	Receipts	Disbursements			Deficit	Surplus
		From Receipts	From Parliamentary Appropriation	Total		
1947	\$ 86,409,236.77	\$ 13,422,612.58	\$ 64,213,049.78	\$ 77,635,662.36		\$ 8,773,574.41
1948	91,626,177.60	13,855,210.27	67,943,475.57	81,798,685.84		9,827,491.76
1949	95,971,655.21	15,353,252.91	77,642,620.93	92,995,873.84		2,975,781.37
1950	101,294,305.22	16,765,649.61	82,639,741.21	99,405,390.82		1,888,914.40
1951	105,545,456.59	15,090,778.73	91,781,466.37	106,872,245.10	\$1,326,788.51	
1952	122,278,760.89	17,656,552.74	97,973,263.29	115,629,816.03		6,648,944.86
1953	129,388,364.70	17,364,120.53	105,553,190.86	122,917,311.39		6,471,053.31
1954	129,889,325.88	18,781,841.94	113,581,752.52	132,363,594.46	2,474,268.58	
1955	151,717,273.77	20,402,224.03	123,611,055.02	144,013,279.05		7,703,994.72
1956	158,568,356.49	20,871,734.67	127,421,739.45	148,293,474.12		10,274,882.37

NOTE: Lands, buildings and furnishings are provided and paid for by the Department of Public Works, and, consequently, such charges are not included in the above disbursements.

Neither does the above statement reflect any revenue that might properly accrue to the Department through the Franking Privilege covering Parliamentary and Government mail or other special services provided by the Post Office Department for other Government departments and agencies free of charge.

The Franking Privilege alone is estimated to involve a loss of revenue in excess of \$5,000,000 annually to the Department.

# GENERAL OPERATIONS OF THE MONEY ORDER SYSTEM IN CANADA FOR THE PAST 5 YEARS

Year	Number of Issuing Offices	Number of Money Orders Issued			Value of Money Orders Issued			Average Value per Order	Gross Revenue from Fees	Average Fee per Order
		Payable in Canada	Payable in other Countries	Total	Payable in Canada	Payable in other Countries	Total			
1952								\$	\$	¢
N. ....	7,808	10,986,474	1,142,980	12,129,454	391,976,744.93	9,427,500.03	401,404,244.96	33.09	2,209,217.68	18.2
D. ....	11,320	29,652,655		29,652,655	179,419,377.48		179,419,377.48	6.05	3,203,862.84	10.8
Total .....		40,639,129	1,142,980	41,782,109	571,396,122.41	9,427,500.03	580,823,622.44	13.20	5,413,080.52	13.0
1953										
N. ....	7,830	11,547,845	1,687,365	13,235,210	424,486,265.34	16,977,579.06	441,463,844.40	33.35	2,422,752.39	18.3
D. ....	11,288	29,832,730		29,832,730	181,803,040.11		181,803,040.11	6.09	3,246,609.88	10.9
Total .....		41,380,575	1,687,365	43,067,940	606,289,305.45	16,977,579.06	623,266,884.51	14.47	5,669,362.27	13.2
1954										
N. ....	7,916	12,611,249	1,839,986	14,451,235	462,010,496.83	19,564,826.10	481,575,322.93	33.32	2,652,600.83	18.4
D. ....	11,264	31,346,723		31,346,723	194,505,334.07		194,505,334.07	6.20	3,448,955.77	11.0
Total .....		43,957,972	1,839,986	45,797,958	656,515,830.90	19,564,826.10	676,080,657.00	14.76	6,101,556.60	13.3
1955										
N. ....	7,925	12,830,446	2,016,503	14,846,949	467,760,754.67	21,894,720.81	489,655,475.48	32.98	2,717,903.53	18.3
D. ....	11,200	32,056,010		32,056,010	201,169,311.45		201,169,311.45	6.28	3,544,134.07	11.0
Total .....		44,886,456	2,016,503	46,902,959	668,930,066.12	21,894,720.81	690,824,786.93	14.73	6,262,037.60	13.3
1956										
N. ....	8,004	13,708,812	1,941,109	15,649,921	493,649,652.82	21,922,746.33	515,572,399.15	32.94	2,878,239.60	18.4
D. ....	11,099	33,431,161		33,431,161	210,358,333.64		210,358,333.64	6.29	3,705,027.49	11.1
Total .....		47,139,973	1,941,109	49,081,082	704,007,986.46	21,922,746.33	725,930,732.79	14.79	6,583,267.09	13.4

N. — Notched

D. — Denominative



# EXCHANGE OF MONEY ORDERS BETWEEN CANADA AND OTHER COUNTRIES FOR FISCAL YEARS 1954-1955 and 1955-1956

Name of Country	Issued in Canada			Payable in Canada		
	Number		Amount	Number		Amount
	1954-55	1955-56		1954-55	1955-56	
Australia .....	2,239	2,375	\$ 24,692.13	2,515	2,964	\$ 21,376.91
a) Austria .....	216	246	5,242.18	83	14	25,807.06
Bahamas .....	1,920	2,090	3,406.11	20	73	259.06
Barbados .....	3,969	4,174	23,436.76	2,634	23	1,221.57
Belgium .....	523	607	73,694.03	327	2,636	1,122.03
Bermuda .....	1,301	1,353	7,887.96	5	384	136.13
British Guiana .....	54	66	20,565.83	10	6	100,327.32
British Honduras .....	507	851	589.96	22	10	9,550.11
b) Czechoslovakia .....	83	46	—	—	24	37.69
c) Denmark .....	18,408	19,324	12,633.30	829	183	103.43
d) Fiji .....	17,033	28,410	978.77	367	—	—
France .....	382,936	360,325	354,593.14	8,831	924	640.47
German Federal Republic .....	16,064	20,918	353,548.05	520	1,325	30,547.53
e) Great Britain and Northern Ireland .....	513	611	633,994.89	748	8,851	35,809.66
Holland .....	53	51	4,596,421.97	14	8,851	62,349.78
Hong Kong .....	8,661	7,428	196,574.55	4	748	2,464.84
Iceland .....	27,251	29,082	10,106.22	—	4	30.00
Republic of Ireland .....	5,845	6,526	718.09	—	—	—
Italy .....	7,540	8,432	144,569.88	294	340	1,600.21
Japan .....	983	157	1,001,767.82	6	52	737.67
Leeward Islands (comprising Antigua Montserrat, St. Kitts-Nevis and Virgin Islands) .....	123	431	85,261.24	71	36	1,593.46
Malaya .....	418	1,007	192,771.85	4	5	17.30
Mexico .....	1,129	1,405	8,770.25	37	39	596.63
New Zealand .....	1,405	1,495	2,487.70	4	—	—
Norway .....	176	170	6,195.52	21	17	105.06
Poland .....	1,276	1,297	13,864.19	196	202	2,418.25
Sweden .....	1,837	2,069	38,027.67	—	—	—
Switzerland .....	826	918	2,377.35	—	—	—
Trinidad .....	5,122	6,772	23,968.57	13	23	980.17
Union of South Africa .....	1,507,130	1,431,348	39,267.77	553	548	12,954.85
United States .....	645	700	45,777.84	10	—	—
Windward Islands (comprising Dominica, Grenada, St. Lucia and St. Vincent) .....	317	602	10,786.86	93	83	1,248.80
Yugoslavia .....	2,016,503	1,941,109	96,901.74	263,739	251,189	4,341,549.41
			14,530,323.67	10	22	129.99
			9,708.86	—	—	—
			7,823.00	—	—	—
			10,980.48	—	—	—
			13,826.52	—	—	—
			\$21,922,746.33	281,218	270,706	\$5,008,715.90
			\$21,894,720.81	281,218	270,706	\$4,643,216.91

- a) Austria  
 b) Czechoslovakia  
 c) Denmark  
 d) Fiji  
 e) Great Britain and Northern Ireland
- Money Order Service resumed 1st January 1956  
 — Money Order Service suspended 1st June 1953  
 — Money Order Service resumed 1st June 1954  
 — Orders from Fiji to Canada advised via Great Britain since 19th September 1932  
 — including British possessions and other countries using British Exchange facilities.

**OPERATIONS OF THE POST OFFICE SAVINGS BANK  
FOR THE TEN FISCAL YEARS ENDED MARCH 31, 1956**

Year ending 31st March	Balance on deposit beginning of Fiscal Year	Amount of deposits	Interest Allowed to Depositors at 2%	Amount of Withdrawals	Balance on deposit end of Fiscal Year	Number of Accounts end of Fiscal Year	Average at credit of depositors end of Fiscal Year	Number of Post Office Savings Banks 31st March
1947 .....	35,537,153.71	13,834,474.44	681,693.55	14,288,809.37	35,764,512.33	242,874	147.25	1,634
1948 .....	35,764,512.33	11,983,689.97	690,584.18	12,212,726.26	36,226,060.22	248,380	145.85	1,603
1949 .....	36,226,060.22	12,843,954.23	710,012.33	12,038,638.16	37,741,388.62	269,161	140.20	1,557
1950 .....	37,741,388.62	12,144,889.17	729,006.54	11,860,650.53	38,754,633.80	274,423	141.21	1,536
1951 .....	38,754,633.80	10,368,265.52	733,893.07	12,194,871.84	37,661,920.55	278,595	135.18	1,531
1952 .....	37,661,920.55	11,011,092.14	722,803.77	11,364,584.26	38,031,232.20	282,326	134.70	1,513
1953 .....	38,031,232.20	11,521,742.93	741,954.38	10,972,699.97	39,322,229.54	287,468	136.79	1,512
1954 .....	39,322,229.54	10,597,045.60	733,009.05	12,859,369.98	37,792,914.21	291,602	129.62	1,495
1955 .....	37,792,914.21	9,402,227.13	713,078.63	11,127,553.80	36,780,666.17	293,840	125.17	1,457
1956 .....	36,780,666.17	9,241,387.75	698,775.58	10,556,369.38	36,164,460.12	296,424	122.00	1,453

# STATEMENT OF POST OFFICE GUARANTEE FUND TRANSACTIONS

## Assets on March 31st, 1955:

Cash on deposit in Post Office Savings Bank	\$ 14,351.80	
Bonds at cost adjusted for amortized premium and discount plus accrued interest	<u>394,261.71</u>	\$408,613.51

## Additions:

Interest on bonds	10,743.51	
Interest on bank deposit	283.94	
Collections of previous years' payments	<u>400.00</u>	11,427.45
		<b>\$420,040.96</b>

## Deductions:

Nine withdrawals to reimburse the Department for losses due to malfeasance on the part of Post Office employees		8,829.18
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## Assets on March 31st, 1956:

Cash on deposit in Post Office Savings Bank	17,638.79	
Bonds at cost adjusted for amortized premium and discount plus accrued interest	<u>393,572.99</u>	\$411,211.78

## NUMBER OF POST OFFICES

Statement showing the number of Post Offices in operation in Canada on March 31st 1955, the number of Post Offices established and the number of Post Offices closed during the year from April 1st 1955 to March 31st 1956 and the number in operation on March 31st 1956.

Province	Number of Post Offices in operation on March 31 1955	Number of Post Offices established from April 1 1955 to March 31 1956	Number of Post Offices closed from April 1 1955 to March 31 1956	Number of Post Offices in operation on March 31 1956
Newfoundland.....	626	14	4	636
Prince Edward Island .....	105	—	—	105
Nova Scotia.....	1,148	3	27	1,124
New Brunswick .....	789	2	55	736
Quebec .....	2,487	15	39	2,463
Ontario .....	2,654	30	40	2,644
Manitoba .....	822	5	12	815
Saskatchewan .....	1,347	4	19	1,332
Alberta .....	1,156	11	26	1,141
British Columbia.....	955	11	19	947
Yukon .....	16	—	—	16
Northwest Territories .....	33	4	—	37
<b>TOTAL .....</b>	<b>12,138</b>	<b>99</b>	<b>241</b>	<b>11,996</b>

Total number of Post Offices in operation on March 31 1955	12,138
Total number of Post Offices in operation on March 31 1956	11,996
<b>Net decrease</b>	<b>142</b>
Number of Post Offices established from April 1 1955 to March 31 1956.	99
Number of Post Offices closed from April 1 1955 to March 31 1956	241



# INVESTIGATIONS ACTIVITIES, FISCAL YEAR 1955-56

<b>Prosecutions</b> .....	<b>404</b>
Convictions .....	327
Acquittals .....	12
Cases in Court .....	65
<b>TOTAL</b> .....	<b>404</b>

Prosecutions	Convictions	Acquittals	Cases in Court
Thefts	72	1	9
Robberies -			
Breaking & Entering	126	5	21
Receiving	7	2	5
Forgery			
Money Orders	29	1	9
Savings Bank	2	—	1
Shortages	56	—	15
Delay & Secreting	15	—	3
Previously Used Stamps	4	1	—
Miscellaneous	16	2	2
Number of prosecutions — 404	327	12	65

Of the 404 prosecutions, 125 involved postal employees and 279 non-Post Office personnel.

**ENQUIRIES**  
**STATEMENT OF INDEMNITIES**  
**REGISTERED: INSURANCE: C.O.D. SERVICES**  
**Fiscal Year 1955-1956**

**1. Registered**

*(a) Domestic Mails*

Number of indemnity claims paid.....	107
Amount of indemnity paid.....	\$ 1,865.06
Paid from Departmental Funds .....	\$ 621.12
Indemnity recovered .....	\$ 1,243.94

*(b) International Mails*

Number of indemnity claims paid.....	125
Amount of indemnity paid.....	\$ 795.76
Paid from Departmental Funds .....	56.15
Indemnity recovered .....	\$ 739.61

**2. Insured**

*(a) Domestic Mails*

Number of indemnity claims paid.....	7,542
Amount of indemnity paid.....	\$74,164.62
Paid from Departmental Funds .....	\$ 70,496.61
Indemnity recovered .....	\$ 3,668.01

*(b) International Mails*

Number of Indemnity claims paid.....	71
Amount of indemnity paid.....	\$ 924.46
Paid from Departmental Funds .....	\$ 727.64
Indemnity recovered .....	\$ 196.82

**3. C.O.D.**

Number of indemnity claims paid.....	2,657
Amount of indemnity paid.....	\$26,382.36
Paid from Departmental Funds .....	\$ 20,229.70
Indemnity recovered .....	\$ 6,152.66
<b>Total indemnity paid .....</b>	<b>\$104,132.26</b>
<b>Total indemnity recovered.....</b>	<b>12,001.04</b>
<b>    Paid from Departmental Funds .....</b>	<b>\$ 92,131.22</b>

## RURAL DIRECTORY TRANSACTIONS

Post Office Rural Directories Sold and Distributed During the Years ended March 31st, 1955 and 1956

	1954-55	1955-56
Newfoundland .....	126	341
Prince Edward Island .....	88	82
Nova Scotia .....	408	357
New Brunswick .....	301	311
Quebec .....	1,569	1,693
Ontario .....	2,094	2,263
Manitoba .....	322	524
Saskatchewan.....	762	977
Alberta .....	1,235	1,367
British Columbia.....	652	638
	<b>7,567</b>	<b>8,553</b>

### Revenue From Sale and Use of Rural Directories, Number Booklets and Letter Carrier Walk Lists

Rural Directories sold .....	\$ 12,686.00	\$ 14,158.35
Mailings from Name Lists .....	455,457.11	585,683.38
Householder Mailings .....	2,780,646.66	2,801,247.71
	<b>\$3,248,789.77</b>	<b>\$3,401,089.44</b>

## PURCHASING AND STORES

The following expenditures were made during the fiscal year 1955-56

Freight, Express and Cartage .....	\$ 52,765.16
Publication of Departmental Reports and Other Material.....	127,807.56
Truck Signs, Householder Leaflets and Other Material .....	31,831.72
Office Stationery Supplies and Equipment .....	536,781.92
Rental of Accounting Machines.....	30,625.00
Mail Bags, Uniforms and Other Materials and Supplies.....	1,686,875.98
Portion of Acquisition of Equipment.....	709,012.79
Rural Mail Delivery Boxes.....	76,572.72
Repairs and Upkeep of Equipment.....	168,440.07
Rental of Equipment.....	47,948.54
Sundry Operating and Administrative Materials.....	1,493.69
<b>Total for the year 1955-56 .....</b>	<b>\$3,470,155.15</b>
<b>Total for the year 1954-55 .....</b>	<b>\$3,769,751.87</b>











# *Report of the Postmaster General*



► *for the  
year ended  
March 31, 1957*





*Report*  
OF THE  
*Postmaster-General*

FOR THE  
*Year Ended March 31*  
**1957**



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OFFICE OF THE POSTMASTER GENERAL  
CABINET DU MINISTRE DES POSTES

To His Excellency The Right Honourable  
Vincent Massey, C.H., Governor General  
and Commander-In-Chief of Canada.

May It Please Your Excellency:

I have the honour to forward to Your Excellency  
the accompanying report of the Post Office Department of  
Canada for the year ended March 31, 1957, which is respectfully  
submitted.

I have the Honour to be, Sir,  
Your Excellency's Most Obedient Servant,

*Wm. Hamilton*  
Postmaster General

Post Office Department,  
Ottawa, October 3, 1957.







CANADA

DEPUTY POSTMASTER GENERAL  
SOUS-MINISTRE DES POSTES

OTTAWA 4, ONTARIO  
September 25, 1957.

The Honourable William Hamilton, B.Sc., P.C., M.P.,  
Postmaster General of Canada.

Sir:

I have the honour to submit the Annual Report  
of the Post Office Department of Canada for the fiscal year  
ended March 31, 1957.

It is gratifying to be able to report once more  
that judging by the volume of mail carried and revenues received,  
the Canadian Postal Service continues to keep pace with the  
growing social and business needs of the country.

Total revenue for the year amounted to \$167,876,207.18,  
which against expenditures on all accounts of \$162,049,005.26 left  
a favorable balance of \$5,827,201.92.

While this result of the 1956-57 operations in  
itself is very satisfactory, I believe it is advisable to draw  
attention to the fact that again in the coming fiscal year very  
heavy additional expenditures are in prospect, expenditures which  
are quite beyond the control of the Post Office Department.

The most important of these new expenditures is the  
general Civil Service salary increase, effective May 1, 1957,  
and which will involve an additional requirement of \$7,500,000  
for salary purposes during the year 1957-58. This includes an  
\$1,500,000 increase in payments to postmasters during the same  
period. A further \$1,500,000 will be required to provide for  
increases granted by Parliament to Rural Mail contractors. Also  
necessary will be an additional \$1,250,000 to cover increased  
railway rates.

The amounts listed above total \$10,250,000 and they indicate the careful management that will be necessary if a deficit is to be avoided.

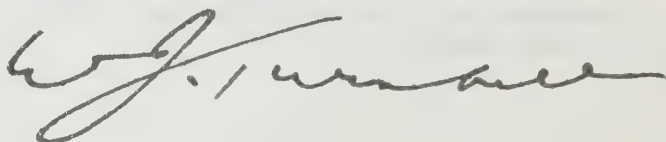
Ordinary costs also continue to increase as the service expands in response to the public need in all parts of the country. In areas served by letter carrier delivery, for instance, 55,777 additional calls on 218 new letter carrier routes were instituted beyond the previous limits of delivery. On rural routes, the number of calls increased by 18,500 during the year, with additional service provided through 693 extensions to rural routes. There are approximately 2,700,000 domicile points of call in Canada today, an increase of more than 200,000 in about three years. This is the equivalent of a city almost the size of Toronto, Ont., and is an indication of the manner in which the Department must expand its facilities and services as the country grows.

Needless to say in this situation, all officers and other personnel have continued their efforts to increase efficiency and reduce costs, but only so much can be done in this regard if the public is to receive the service to which it is entitled.

The volume of mail despatched both by air and surface means to other countries also continues to increase, accompanied by the inauguration of many new services. The availability of additional steamers has made many improvements possible in the surface transport of mails both to trans-Atlantic destinations and to the far East. Activity was intensified during the year in the preparations for the XIVth Congress of the Universal Postal Union opening at Ottawa on August 14, 1957.

Experimental work also continued on the Department's electronic sorter, with a test operating model almost completed as the year came to a close.

Departmental and Field staffs have at all times during the year shown great devotion to duty and efficiency in their work, a fact which is greatly appreciated by myself and the senior officers of the service.

A handwritten signature in dark ink, appearing to read 'W.J. Turnbull', is written in a cursive style.

W.J. TURNBULL,  
Deputy Postmaster General.

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# THE ORGANIZATION OF THE POST OFFICE DEPARTMENT

Postmaster General  
Parliamentary Assistant  
Deputy Postmaster General  
Associate Deputy Postmaster General  
Director of Administration  
Director of Financial Services  
Director of Operations  
Director of Personnel  
Director of Transportation

## ADMINISTRATION BRANCH

Budgets, Costs and Estimates Division  
Domestic Mails Division  
International Mails Division  
Investigations Division  
Legal Division  
Public Relations Division  
Purchasing and Stores Division  
Statistical and Office Services Division

## PERSONNEL BRANCH

Personnel Development Division  
Staff Services Division  
Training Division

## FINANCIAL BRANCH

Cash Account Division  
General Financial Division  
Money Order Division  
Postage Stamp Division  
Procedure Control Division  
Savings Bank Division

## TRANSPORTATION BRANCH

Accounts Verification Division  
Air Mail Service Division  
Land Mail Service Division  
Motor Vehicle and City Services Division  
Railway Mail Service Division

## OPERATIONS BRANCH

Buildings Division  
Enquiries Division  
Mechanical Engineering Division  
Postal Services Division  
Revenue Post Office Division  
Staff Post Offices and Estimates Division  
Time Study and Methods Division  
Procedures and Examination Division

## REGIONAL DIRECTORS

Maritimes	Moncton, N.B.
Quebec	Montreal, P.Q.
Ontario	Toronto, Ont.
Prairies	Winnipeg, Man.
Pacific	Vancouver, B.C.



## GENERAL INTRODUCTION

The Canadian Postal Service, in the fiscal year 1956-57, again reached a new record level of achievement both in the amount of revenue received and in the volume of work accomplished. Total income amounted to \$167,876,207.18 which was \$9,297,850.69 more than in the previous year.

Principal details of the financial record for the year were as follows:

### **Revenue:**

Receipts from all sources totalled \$167,876,207.18.

### **Expenditures:**

Payments to postmasters of revenue and semi-staff offices and other outlays direct from revenue, under statutory authority, amounted to \$22,056,083.98. (This amount being deducted from total revenue resulted in transfer of \$145,820,123.20 to the Consolidated Revenue Fund of the Government of Canada.) Expenditures from Parliamentary appropriation totalled \$139,992,921.28, an increase of \$12,571,181.83 over the previous year.

### **Overall Balance:**

The above statements of revenue and expenditure indicate a favorable balance for the year of \$5,827,201.92.

### **Items Not Included:**

Post Office accounting, no more than is the case with any other Government department, does not take into consideration the value of premises provided free for its use by the Department of Public Works. It also does not take into consideration the value of services it provides free to other Government departments, which is estimated to be in excess of \$5,000,000 a year.

## ADMINISTRATION

Activities included under the heading of administration in the department are statistical and office services: budgets, costs and estimates; purchasing, printing and supply of stationery materials; control of all matters affecting domestic and international mails; public relations and investigational activities involved in assuring security of the mails.

### *Domestic Mails*

Details regarding the operations of the Undeliverable Mail Office for the year are given in the Appendix to this report.

### *International Mails*

Air Parcel Post and Air A.O., which includes articles other than letters, post cards and parcels, were extended to 68 countries during the year.

Insurance of Air Parcel Post was established to 21 countries in addition to Great Britain.

The volume of air mail despatched from Canada to other countries continues to increase, and the availability of additional steamers made considerable improvement possible in surface mails despatched to trans-Atlantic destinations and to Australasia.

A Parcel Post agreement was concluded with Austria.

Conferences were held with Universal Postal Union International Bureau officials, and interdepartmental meetings also took place in preparation for the XIVth Congress of the Union in Ottawa in August, 1957.

### *Budgets*

The Postmasters Cost Estimates System, established in 1953 and which now provides for control over expenditures at seventy-three of the largest post offices, continued in effect during the year. This system affords an aid to the Postmasters in their financial management. It is planned to extend the application of this data for parliamentary main estimates.

### *Cost Ascertainment*

The Cost Ascertainment Programme was re-instituted in the fiscal year ended March 31st, 1956 on a triennial basis. Two Cost Ascertainment tests were made in that year for the purpose of obtaining details for each of the classes of mail and services.

Apportionment data and ratios derived from these tests as well as information from several other sources were used to develop volumes, revenues and expenditures figures which would reflect, with reasonable accuracy, the participation of each class of mail and each special service in the total revenues and expenditures for the fiscal year ended March 31, 1957.

### *Estimates*

The Department's new sub-allotment breakdown of annual estimates has been further improved and provides appreciable assistance to the senior officials concerned in determining their requirements and in controlling the expenditures for which they are responsible.

### *Cost Control*

The Work Measurement Programme, involving measurement of mail volumes processed, hours worked and, in most cases, work standards, was extended to include certain major sections of two additional Post Offices during the fiscal year ended March 31st, 1957. The programme is now being conducted at:

Montreal	Hamilton
Toronto	Ottawa
Vancouver	Quebec
Winnipeg	Windsor

Cost Control statements are produced continuously, showing volumes processed, man-hours employed and an evaluation of labour dollar costs. This information is valuable in assisting higher management in studying postal operations from the point of view of a more effective employment of staff.

### *Investigations*

The Investigation Division of the Department is constantly on the alert in dealing with problems arising out of offences involving the Postal Service. During the year, a conference of the Department's regional investigators was held for the purpose of exchanging views and discussing investigative techniques. Added emphasis was placed on the investigation of persons known to deal in stolen postage stamps and money orders with a view to curbing the burglary of post offices. Preventative measures relative to depredations and financial irregularities are being steadily pursued through the application of new methods of detection security.

A statement covering investigational activities for the year is given in the Appendix to this report.



### *Public Relations*

The efficiency of postal operations is greatly influenced by the co-operation, or lack of it, extended by the public in observing correct mailing practices when making use of service facilities. The public, for its part, requires readily available information on rates and conditions of service if it is to be in a position to extend the co-operation desired.

In the planning of large mailings direct assistance must be given in many cases to business firms if postal requirements are to be adequately met.

The Public Relations programme of the Post Office Department brings to the attention of the public the various ways in which the Department can be assisted in providing good service and there is increasing evidence that the suggestions are being more and more widely observed.

The public relations officers in the various postal districts continued to extend their personal contacts with mailers.

A statement covering the Rural Directories transactions of the Department appears in the Appendix to this report.

### *Purchasing and Stores*

A statement covering expenditures of the Purchasing and Stores Division of the Department is given in the Appendix to this report.

### *Statistical and Office Services*

The improvements in office service procedures coupled with better methods of recruitment and development of personnel has enabled the Division to handle the largest volume of work on record. At the same time the services were further extended to cover additional activities with respect to correspondence and file control, and the reproduction and distribution of printed material throughout Headquarters and Field Offices.

The rearrangement of the work in the records sections involving the grouping of related operations, and the revision of classifications has resulted in increased efficiency and improved morale. The work measurement programme has been further developed and has proven to be of considerable value in promoting and determining production, co-ordinating staff, evaluating personnel and methods and keeping management informed regarding the trend and volume of activities in the various branches.

Arrangements were completed to further decentralize to District Offices the authority to incur and approve expenditures thus reducing the correspondence between Headquarters and the Field and speeding up the payment of accounts. A new method of collating statistics covering work and expenses of supervisory Postmasters was introduced to facilitate and reduce the keeping of records and to ensure more uniformity. The control exercised over the purchase and distribution of books and publications has resulted in appreciable savings and permitted a more adequate dissemination of reading material.

Assistance was rendered to other Government Departments in planning the organization of their office services and in introducing work measurement programmes and incentive pay plans in stenographic pools as well as in selecting office equipment and machines. The division was given the responsibility for keeping an inventory of all office machines in the Postal Service and acting as liaison with the Department of Public Printing and Stationery in the matter of purchase, repairs, disposal, etc. of office machines and equipment. Over 150 requisitions for office machines were investigated and recommendations made for their purchase where justified.

## FINANCIAL SERVICES

Functions included in Financial Services are audit of cash accounts, money order service, savings bank service, printing and issuing of postage stamps and philatelic service and control of procedures for financial transactions related to postal revenue and disbursements from postal revenue.

### *Money Orders*

The number of Money Orders issued during the year was 51,182,296, an increase of 4.28 per cent over the previous year when 49,081,082 were issued.

The average value per money order increased from \$14.79 to \$15.62, and the total value of money orders issued increased from \$725,930,732. to \$799,615,004., or 10.15 per cent.

The gross revenue from fees increased from \$6,583,267. to \$6,989,409. or 6.17 per cent.

Applications for duplicates of 46,325 money orders were received during the year. In 27,229 cases it was found that the original money order had been paid; duplicates were issued in 19,096 cases.

As the Department is required to keep paid money orders for six years, plus the current year, particulars of the payment of approximately 300 million money orders are available from the files.

The notched money order is sold at 8,080 Accounting Post Offices. The denominative money order, for domestic remittances under \$16.00, is sold at these offices, and also at 2,943 Non-Accounting Post Offices.

### *Postage Stamps*

The direct distribution of postage supplies by the manufacturer to postage stamp depots was inaugurated with resulting economy to the Department. The proportion of revenue from postage stamps relative to metered postage continues to decline.

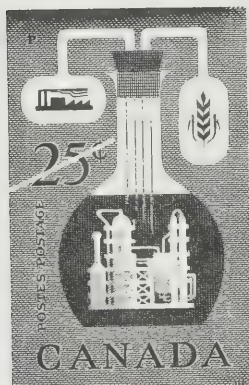
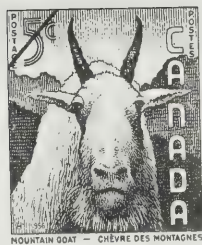
Nine new design postage stamps were issued during the year. Seven were special issues that were not reprinted after the limited quantity of the original order. The other two were regular issue stamps that will be reprinted and used for several years.

On April 12th a four cent purple stamp was issued illustrating Caribou and a five cent blue stamp was issued illustrating a Mountain Goat. These two postage stamps were issued in support of Canada's National Wildlife Week.

On June 7th a twenty cent green stamp was issued illustrating a scene in the manufacture of paper. This stamp emphasized the importance to Canada of the pulp and paper industry. On the same date a twenty-five cent red stamp was issued to feature the significant growth of the chemical industry and its contribution to the development of the nation. Both of these stamps will be reprinted for regular use.

On October 9th a red and grey five cent postage stamp was issued in support of National Fire Prevention Week to emphasize the importance of reducing the waste caused by fires.

On March 7th four five cent blue postage stamps were issued illustrating four popular forms of outdoor recreation in Canada, namely skiing, swimming, fishing and hunting. This set of stamps indicated that Canada, the "Land of Vacations Unlimited", offers a variety of recreational fare to those who travel for pleasure. This set of stamps was unique in Canadian philatelic history in that all four were printed on each single pane of 50 stamps in a manner that any block of four stamps provided one stamp of each design.





### *Philatelic Revenues*

The following table gives the revenues received from philatelic orders handled by the Financial Branch of the Department during the past five years:

Year	No. of Orders	Net Revenue
1952-53	21,604	\$282,431.
1953-54	26,545	418,258.
1954-55	24,505	295,169.
1955-56	30,254	307,042.
1956-57	24,780	315,130.

### *Post Office Savings Bank*

The Post Office Savings Bank, established in 1867, is a service operated by the Post Office Department for the promotion of thrift. A variety of accounts may be established including individual and joint accounts. The service available in post offices throughout Canada is particularly convenient for the public because of the post office hours from 8.00 A.M. to 6.00 P.M.

Effective the 1st November 1957 the rate of interest paid on deposits was increased from two percent to two and one half per-cent a year. This increase halted a decline in deposits in the past two or three years when the rate of interest paid was considerably less than that paid by other public savings institutions.

The service continues to be patronized by a large number of Canadians. At 31st March 1957, there were 298,700 depositors. A table summarizing the operations of the Savings Bank for the past ten years appears in the Appendix to this report.

### *Cash Accounts*

Cash Accounts are forwarded by Postmasters to the Cash Account Division which maintains the system of financial control and audits revenue receipts and disbursements by Postmasters. This Division also reports on the annual revenues at each Post Office.

## **OPERATIONS**

Functions under the heading of Operations in the Department are buildings and accommodation, enquiries regarding mistreated mail, mechanical engineering, postal services, procedures and examinations, revenue post offices, special projects and time studies, and staff matters, e.g. promotions, discipline, appointments, etc.

### *Accommodation*

There are now 268 projects for new buildings or major additions to existing buildings in the planning stage.

The total, showing by provinces the projects completed, or under construction, during the year 1956-57, is given on the following page.



Province	New Buildings		Additions to Buildings	
	Completed	Under Const.	Completed	Under Const.
Newfoundland .....	10	1	—	—
Prince Edward Island.....	2	—	—	—
Nova Scotia .....	5	2	1	1
New Brunswick.....	—	1	—	—
Quebec .....	3	9	2	2
Ontario .....	9	20	4	6
Manitoba .....	1	2	1	1
Saskatchewan .....	7	5	—	—
Alberta.....	3	5	2	1
British Columbia .....	2	5	—	1
Yukon Territory .....	—	—	—	—
Northwest Territories.....	1	—	—	—
<b>TOTALS .....</b>	<b>43</b>	<b>51</b>	<b>10</b>	<b>12</b>

A total of 8,291 pieces of standard Post Office equipment was supplied to various Post Offices.

A total of 57,429 additional Post Office lock boxes were installed.

#### *Engineering*

Alterations and additions to the Mechanical Mail Handling Equipment at Moncton, N.B. were completed.

Work is near completion on the new Mechanical Mail Handling installation at Regina, Sask.

Work is almost complete on the new Mechanical Mail Handling installation at Victoria, B.C.

A new design of Winged Sorting Case with stool was developed and a prototype constructed. It is now under test.

#### *Enquiries*

Increased volume of mail handled and a slight increase in the amount of the average claim resulted in a greater number of claims and an increase in total of indemnity paid.

In the Appendix to this report is a statement of indemnities paid in connection with registered, insured and C.O.D. mail during the fiscal year.

#### *Postal Services*

The number of Staff Post Offices increased by three during the past year to a total of 315.

The number of employees in Staff Post Offices and District Offices increased as follows:

	Full-time	Part-time	Total
March 31, 1956 .....	19949	1665	21614
March 31, 1957 .....	20477	2142	22619
<b>Increase</b> .....	<b>528</b>	<b>477</b>	<b>1005</b>

This increase is attributable to:-

- (1) The addition of three new Staff Post Offices.
- (2) The inauguration of Letter Carrier Delivery at some localities which did not previously receive this service.
- (3) Extensions of Letter Carrier Service in communities already receiving it.
- (4) Increased volume of mail to be handled.
- (5) Extension of the five day week to all offices which previously did not get this benefit.

Letter Carrier Delivery Service was inaugurated in the following communities:

White Rock, B.C.	13th August, 1956	6 routes
Ste. Thérèse de Blainville	27th October, 1956	4 routes
Rexdale, Ont.	3rd December, 1956	6 routes

In addition to these establishments, Orders-in-Council were received for the inauguration of Letter Carrier Service at La Tuque, P.Q., Asbestos, P.Q., and Lachute, P.Q.

Service is to begin in each of these communities when 90% of the homes are provided with suitable mail receptacles.

During the year 1956-1957, door to door delivery by Letter Carrier was provided to 55,777 calls situated beyond the previous limits of delivery, in communities where Letter Carrier Delivery Service was in effect.

In order to make these extensions and relieve overtime being performed on existing routes, 218 additional Letter Carrier routes were established, making a total of 4,640 walks in operation at 141 Letter Carrier Delivery Offices as of March 31st, 1957.

Group Mail Box Service by Letter Carrier continued to expand providing a convenient interim service to patrons residing in areas adjacent to Letter Carrier Delivery Boundaries and where requirements for direct service had not been met.

#### *Procedures and Examinations*

The number of examinations on distribution was greater in 1956 than in the previous year, reflecting the increase in the number of employees subject to this type of examination.

On the other hand, the number of written examinations on the postal laws and regulations decreased due chiefly to, fewer repeats because of failures.

	Number of Examinations Conducted
Written Examinations 1955 .....	11,985
1956 .....	11,623
Case Examinations 1955 .....	8,203
1956 .....	8,683

### *Revenue Post Offices*

In line with the policy enunciated by the Government, the 40 hour week was extended to include the 1313 Semi-Staff Post Offices in Canada. This decision is implemented in each office as staff and other arrangements are completed.

During 1956-57, 25 post offices were raised from the class of Revenue Post Offices to that of Semi-Staff.

### *Timestudy and Methods Division*

The work of the Timestudy organization was extended during the year to take in the Vancouver Post Office and the Forward Letter Section will be under the control system in June 1957. This brings to five the number of offices in which the Timestudy and Cost Control Programme has been established to this time. The others are Montreal, Toronto, Ottawa, and Winnipeg.

## **PERSONNEL**

Activities comprised under the heading of personnel in the Department are personnel development, staff services, training and suggestion awards.

### *Supervisory Appraisal and Development*

The Department's supervisory appraisal program was extended to include first line supervisors. Over 2600 supervisors were appraised with a view to finding out what could be done to help them improve their present performance and to prepare them for higher responsibilities.

The Appraisal Committees recommended many different types of development action designed to achieve these two purposes. For example, rotation or other special assignments at the local office were recommended for over 600 supervisors. Over 100 were recommended for the various training courses provided by the Department. Almost as many were encouraged to follow courses provided by outside institutions in such subjects as English, French, Accounting. All of the supervisors who were appraised were counselled by their superiors on how they could improve their performance.

Measures were taken to follow-up closely on some 75 Supervisors whose performance had been found to be less than satisfactory. In the majority of these cases, it was possible to bring about considerable improvement.

A group of management trainee positions had been set up in 1954 to facilitate the replacement of supervisors while they are being given special training. These positions were used during the year for special assignments of 37 officers.

A survey revealed that over 60% of Supervisors leave the Service before reaching 65 years of age. This indicates that development action to provide a pool of potential replacements must begin relatively early. The same survey also indicated the sections of the Department where the need for developing replacements was most urgent and special plans have been devised to meet these needs.

The Personnel Branch has undertaken extensive research work in collaboration with the Civil Service Commission in preparation for the use of Aptitude Tests to be used in the difficult and important process of selecting first-line supervisors.

### *Training*

The Department's course in Work Simplification was continued in the Field. Several hundred supervisors at many locations attended this ten-hour course.

Several series of slide films in colour are being developed for use as aids to training. Most progress has been made on a general information film called "Post Haste" which will be shown first to all Headquarters staff to acquaint them with conditions in the Field Service. It is also likely that this film will be shown at meetings of Postmasters and also as part of the induction course for new employees.

The Department has for many years assisted its Headquarters employees to improve their skill in languages, specifically English, French and Spanish, through oral classes. A course in written English has now been developed which is being attended by all staff, both at Headquarters and in the Field, whose duties include the writing of letters. The preparation of this course involved considerable research and a careful selection of the instructors in the various centres who are qualified to conduct a course in this subject.

An extensive survey has been made of safety programmes in the Government Service and in certain large private companies to develop an effective accident prevention programme for this Department. A pilot programme was started in the Montreal Post Office during the fiscal year, and as a result of experience gained at this centre, the Department is ready now to launch a programme in a dozen of the larger Post Offices.

### *Staff Services*

Superannuation continues to be a special problem for the Post Office Department, due to the unusual complexities of this subject in relation to certain classes of postal employees. The problems in administering the Superannuation Act for the Revenue Postmasters relate principally to their election on past service, which is complicated by an earlier system of remuneration on the basis of commission rather than salary.

The rate of staff turnover showed little change except in two of the largest Post Offices. The national figure rose from 9% to 11% as a result of an increase in Toronto from 11% to 20% and in Vancouver from 9% to 17%. These figures include retirements. Most of the turnover occurred amongst short-service temporary employees.

## TRANSPORTATION

Functions comprised under the heading of transportation in the Post Office Department are accounts verification, Air Mail Service, Land Mail Service, Motor Vehicle Services, City Services, and Railway Mail Services.

### *Air Mail Service*

During the fiscal year 1956-57 the volume of mail carried by Trans-Canada Air Lines within Canada and between Canada and United States continued to increase.

The volume of mail carried by air companies, other than T.C.A. also increased, especially to the rapidly expanding areas in the northern sections of the provinces and North West Territories. The use of numerous commercial flights and additional opportunities for courtesy flights made it possible to provide a more frequent service to some of the more isolated areas.

Advantage was taken of additional flights to provide increased frequency of mail service on two routes. Moncton-Goose Airport increased from 2 to 3 trips weekly from April 1, 1956; Gaspé-Port Menier Winter Service increased to year round from 1st February 1957.

One new air mail service has been authorized between Sept Isles-Schefferville as soon as the post office is established at Schefferville. Winter service from Gander to the Coast of Labrador was extended from Nain to Hebron; summer air service from Sept Isles to Havre St. Pierre was extended to Natashquan. Two air services were discontinued in 1956-57.



Surveys are presently being conducted to ascertain the need for additional air mail service to other areas, particularly those that have rapidly increased in importance due to development of the country's mineral resources.

### AIR MAIL STATISTICS

Services	1955-56		1956-57	
	Mail Ton Miles	Cost	Mail Ton Miles	Cost
T.C.A. — Domestic .....	\$ 6,756,555	\$6,333,834	\$ 7,439,779	\$6,593,421
— International .....		2,096,933		2,382,638
C.P.A. — Domestic .....	675,342	1,463,405	717,975	1,404,278
— International .....		388,272		420,247
Other Domestic .....	250,244	769,584	250,800	834,012
<b>TOTAL .....</b>		<b>\$11,052,028</b>		<b>* \$11,634,596</b>

\* Approximate final figures not available.

#### Land Mail Service

Fifty-five rural routes were established during 1956-57; side services decreased by 406 and stage services decreased by 53. Fluctuation in the number of side and stage services was mainly caused by changes from rail service to motor vehicle service.

Rapid growth in mail service on rural routes and suburban services served through the medium of group boxes continued through the year 1956-57. Group box installations increased by nearly 100%. More than 2,000 group boxes, capable of accommodating 20,000 patrons, are now in use.

Householders receiving mail by rural delivery number 560,000, an increase of 18,500 in 1956-57. Additional service was provided by extensions to 693 rural routes.

Number of services and cost for 1956-57:

	Rural Routes	Stage Services	Side Services	Total
Number	5,432	2,677	3,316	11,425
Cost	\$8,244,244	\$2,461,365	\$1,459,603	\$12,165,212

#### Adjustments in Mail Contract Rates

Special funds totalling \$750,000 were made available by Parliament during the last Session to provide for the upward adjustment of rates paid rural mail delivery contractors to offset increased operating costs. Following a general survey, 4,462 contracts were adjusted, effective the 1st October 1956. Regular estimates now include an amount of \$1,500,000, required annually, to maintain these adjustments.

In addition, under Sections 23 and 33 of the Post Office Act, 854 other contracts were adjusted during the course of the fiscal year, involving an additional annual expenditure of \$219,916.

#### Motor Vehicle Services

The continued introduction by the railways of new equipment, which lacks space for accommodation of the mails, has led to further expansion of Highway Service by Motor Vehicle. At the close of 1956-57 there were 272 motor vehicle services in operation which represents an increase of 75. Several additional Motor Vehicle Services will be placed in operation early in 1957-58.

The experimental operation of mail services by government owned vehicles is continuing at Ottawa and Windsor, Ontario, furnishing comparisons between private and government operating costs.

### *City Services*

The requirements for mail transportation in cities and towns continue to increase due to expansion of services to newly developed areas, increased population and business development. Approximate cost of mail transportation facilities in cities and towns amounted to \$7,000,000. This included delivery of some 28,246,435 parcels at an average cost of 9.86 cents. Mail was collected from some 17,000 street letter boxes involving approximately 13,250 miles of travel daily.

Continued study is being given towards reducing administrative costs and simplifying controls. Payment for parcel post services on a "per item" basis has become a standard practice. A simplified system for the operation and payment of street letter box services, on a time required basis, is also being developed which will tend to reduce administrative costs and simplify procedures.

During 1956-57, a new type of service known as Mobile Mail Delivery was developed. This provides for delivery of mail by motor vehicle to business houses, industries and some residences located on the outskirts of the larger cities where delivery by letter carrier is not practical, owing to volume of mail and distance involved.

	Street Letter Box Collections	Parcel Post Delivery	Conveyance of L.C.'s	Other City Services	Motor Vehicle Services	Total
Number	277	146	115	254	272	1964
Cost	\$1,766,465	\$2,936,442	\$567,352	\$1,721,889	\$1,927,503	\$8,919,651

### *Railway Mail Service*

Railway post offices manned by railway mail clerks are in operation on principal trains in all parts of Canada. These services operate in conjunction with motor vehicle and baggage car services, ensuring continuity of despatch.

Considerable research has been done and is being continued in line with Departmental policy to provide more efficient service. Due to the railways abandoning certain lines, changing the equipment in use, or changing the frequency of service, a number of railway post offices and baggage car services were superseded by motor vehicle services.

The following statement will reflect changes during the 1956-57 fiscal year.

#### **COMPARATIVE STATEMENT OF OPERATIONS RAIL & WATER SERVICES FOR THE FISCAL YEARS 1955-56 AND 1956-57**

	1955-56	1956-57
<b>Railway</b>		
R.P.O.'s in operation .....	146	126
B.C.S.'s in operation .....	668	601
Number of Railway Mail Clerks .....	1,240	1,190
Miles travelled by Railway Mail Clerks .....	52,139,052	44,820,015
Cost of Service by Railway .....	\$14,255,304	13,902,217

### *Mail Service by Water*

Transportation of mail by water forms an important part of mail movement in Canada and overseas. Domestic routes operate on inland lakes, rivers and coastal waters to points as far north as Alaska on the west coast and the northerly reaches of Labrador on the east coast.

Mails despatched from Canada to foreign points maintain a steady flow showing a slight increase in volume.

	1955-56	1956-57
<b>Water</b>		
Number of Domestic Water Routes.....	74	67
Cost of Domestic Water Service .....	964,782	960,129
Cost of International Service .....	1,193,679	1,298,639
Top Wharfage .....	48,220	51,832
<b>Total cost of Mail Services by Water .....</b>	<b>2,206,682</b>	<b>2,310,600</b>

### *Eastern Arctic*

An increase in mail carried to points served in the Eastern Arctic Region was noted during the fiscal year 1956-57.

There were 640 despatches made during the year, accommodating 49,818 pounds of mail, an increase of 26% over the previous fiscal year.

This mail was carried by Government and private vessels, R.C.M.P. patrols, Air Stage Services and Courtesy Flights.

On occasion R.C.A.F. courtesy flights "Parachuted" or "free-dropped" the mails, including a Christmas "Air Drop" of 5,810 pounds of mail to 20 settlements.

Each year the Department continues to receive expressions of appreciation for these services.





*Appendix*  
TO THE  
*Report*  
OF THE  
*Postmaster-General*

FOR THE  
*Year Ended March 31*  
**1957**



# STATEMENT OF REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease *
	1955-56	1956-57	
<b>POSTAGE PAID:</b>			
By means of Postage Stamps	\$ 75,559,106.18	\$ 77,735,659.92	\$2,176,553.74
By means of Meter and Register Impressions .....	58,918,289.17	64,875,643.61	5,957,354.44
<i>In Cash:</i>			
First Class Matter.....	261,373.29	515,889.07	254,515.78
Second Class Matter (newspapers and periodicals) .....	6,025,473.62	6,332,598.95	307,125.33
Third Class Matter (books, catalogues, circulars, hand- bills and other printed matter) .....	5,237,955.17	6,076,050.19	838,095.02
Fourth Class Matter (catalogues mailed from zone centres at parcel post rates, and samples of merchan- dise mailed under special permit) .....	253,409.88	241,298.09	12,111.79*
<b>Total postage paid .....</b>	<b>\$146,255,607.31</b>	<b>\$155,777,139.83</b>	<b>\$9,521,532.52</b>
Rental of Post Office Boxes .....	1,513,097.76	1,625,173.71	112,075.95
Fees on Postal Money Orders.....	6,583,267.09	6,989,409.99	406,142.90
Commission collected from foreign countries on foreign Money Orders payable in Canada .....	995.11	1,126.22	131.11
Profit in exchange on postal transactions with other countries .....	151,465.67	227,615.91	76,150.24
Credits on parcels received from foreign countries for delivery in Canada.....	1,926,965.23	1,443,436.91	483,528.32*
Credits for the transit of foreign Air Mail in Canada, and other transit charges.....	896,904.72	802,698.28	94,206.44*
Sale of Rural Mail Boxes.....	69,636.00	57,820.00	11,816.00*
<i>Miscellaneous Revenue:</i>			
Payment received from the Unemployment Insurance Commission for distributing and selling Unemployment Insurance Stamps .....	773,555.71	792,757.97	19,202.26
Payment received from the Department of Labour for collecting Government Annuity Premiums .....	48,644.68	51,563.27	2,918.59
Sundry Revenue Items .....	66,182.56	60,734.67	5,447.89*
<b>TOTAL REVENUE RECEIPTS .....</b>	<b>\$158,286,321.84</b>	<b>\$167,829,476.76</b>	<b>\$9,543,154.92</b>
<b>Other Receipts:</b>			
Return on Investments .....	\$ 460.71	\$ 5,172.10	\$ 4,711.39
Proceeds from Sales .....	23,283.28	22,982.45	300.83*
Refund of previous years' Expenditure from Appropriation	249,534.70	18,117.66	231,417.04*
Miscellaneous .....	8,755.96	4,120.09	4,635.87*
<b>TOTAL OTHER RECEIPTS .....</b>	<b>\$ 282,034.65</b>	<b>\$ 50,392.30</b>	<b>\$ 231,642.35*</b>

# STATEMENT OF DISBURSEMENTS FROM REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease*
	1955-56	1956-57	
<b>Salaries and Allowances paid to:</b>			
Revenue Post Offices.....	\$ 8,366,410.28	\$ 8,724,187.35	\$ 357,777.07
Semi-Staff Post Offices .....	7,808,764.38	8,765,925.80	957,161.42
Sub Post Offices .....	1,801,581.35	2,002,087.69	200,506.34
Discount allowed vendors of postage supplies.....	65,404.84	58,510.56	6,894.28*
Compensation paid to messengers for special delivery of letters and parcels .....	339,589.12	361,436.94	21,847.82
Losses by fire, theft, forgery, etc. ....	104,134.26	106,510.39	2,376.13
Commission paid to foreign countries on Canadian Money Orders payable in those countries.....	33,326.22	35,678.80	2,352.58
Charges on parcels mailed in Canada for delivery in foreign countries .....	1,402,215.95	1,306,047.30	96,168.65*
Charges for the transit of Canadian mail forwarded through foreign countries, and on Canadian Air Mail carried to or through foreign countries .....	858,177.05	578,777.78	279,399.27*
Indemnities paid in respect of lost, insured, and C.O.D. and registered articles.....	92,131.22	116,921.37	24,790.15
<b>Total Disbursements From Revenue Receipts</b>	<b>\$20,871,734.67</b>	<b>\$22,056,083.98</b>	<b>\$1,184,349.31</b>



**STATEMENT OF DISBURSEMENTS FROM PARLIAMENTARY APPROPRIATION - YEAR ENDED MARCH 31, 1957**

Classification of Expenditure	Departmental Administration	Operations	Transportation	Financial Services	Total Expenditures
Postmaster General's Salary & Motor Car Allowance					\$ 3,732,815.02
Salaries - Headquarters Staffs.....		\$ 769,897.56	\$ 419,066.08	\$1,423,840.12	75,264,666.31
" - Outside Services.....	\$1,120,011.26 *	75,264,666.31			1,213,302.96
" - Night Differential.....		1,213,302.96			3,572,219.78
Overtime Payments for Operating Services.....		3,572,219.78			68,142.85
Terminable, Northern and Other Allowances.....	1,931.41	66,211.44			672,252.58
Mileage Allowances.....		672,252.58			257,091.55
Boot Allowance.....		257,091.55			474,806.16
Professional and Special Services.....	19,823.96	454,982.20			337,724.32
Travelling and Removal Expenses.....	56,789.60	270,397.81	9,581.79	955.12	49,882.35
Freight, Express and Cartage.....	4,888.95	44,993.40		769.07	125,742.10
Telephones and Telegrams.....	3,651.90	120,828.98	492.15	2,775.79	127,798.13
Publication of Departmental Reports and other Material	68,605.77	56,416.57			198,968.36
Films, Displays, Advertising and other Informational					502,666.90
Publicity.....	198,968.36				31,095.00
Office Stationery, Supplies and Equipment.....	40,809.88	400,155.63	9,332.93	52,368.41	848,410.82
Rental of Accounting Machines.....				31,095.00	306,476.63
Mail Bags.....		848,410.82			499,465.61
Uniforms and Letter Carrier Satchels.....		306,476.63			2,334.30
Materials and Supplies.....		499,465.61			1,478,876.24
Rentals of Storage Space.....		2,334.30			171,950.18
Acquisition of Equipment.....		1,478,876.24			84,149.91
Repairs and Upkeep of Equipment.....	102.01	171,848.17			25,432.90
Rentals of Equipment.....		84,149.91	25,432.90		13,628.92
Rural Mail Delivery Boxes.....					23,956.17
Canada's Share of the Upkeep of the International					71,327.03
Bureau at Berne and Montevideo.....	13,628.92				13,902,217.11
Preliminary Expenses of the Congress of the Univer-					21,084,863.19
sal Postal Union to be held in Ottawa in 1957.....	23,956.17				11,634,596.40
Membership in Management Association.....					2,310,600.82
Unemployment Insurance Contributions.....		71,327.03	13,902,217.11		152,758.16
Mail Service by Railway.....					686,417.06
Mail Service by Ordinary Land Conveyance including					36,993.83
Rural Mail Delivery.....					9,272.79
Mail Service by Air.....					4,035.00
Mail Service by Water.....					15,983.84
Money Order Forms.....					
Manufacture of Postage Stamps and Stamped Postage					
Supplies.....					
Postage Meter and Postage Register Supplies.....					
Sundries.....					
Gratuities to Families of Deceased Employees.....	5,158.90	4,014.21	90.68		
Security Transfer of Cash Deposits from Post Offices	4,035.00				
to Banks in larger Cities.....					
<b>TOTAL</b> .....	\$1,562,362.09	\$86,630,319.69	\$49,396,274.10	\$2,403,965.40	\$139,992,921.28

\* Statutory

**COMPARATIVE STATEMENT OF REVENUE AND DISBURSEMENTS**  
Fiscal Years Ended in 1948 to 1957

Fiscal Year Ended March 31st	Receipts	Disbursements			Deficit	Surplus
		From Receipts	From Parliamentary Appropriation	Total		
1948	91,626,177.60	13,855,210.27	67,943,475.57	81,798,685.84		9,827,491.76
1949	95,971,655.21	15,353,252.91	77,642,620.93	92,995,873.84		2,975,781.37
1950	101,294,305.22	16,765,649.61	82,639,741.21	99,405,390.82		1,888,914.40
1951	105,545,456.59	15,090,778.73	91,781,466.37	106,872,245.10	\$1,326,788.51	
1952	122,278,760.89	17,656,552.74	97,973,263.29	115,629,816.03		6,648,944.86
1953	129,388,364.70	17,364,120.53	105,553,190.86	122,917,311.39		6,471,053.31
1954	129,889,325.88	18,781,841.94	113,581,752.52	132,363,594.46	2,474,268.58	
1955	151,717,273.77	20,402,224.03	123,611,055.02	144,013,279.05		7,703,994.72
1956	158,568,356.49	20,871,734.67	127,421,739.45	148,293,474.12		10,274,882.37
1957	167,879,869.06	22,056,083.98	139,992,921.28	162,049,005.26		5,830,863.80

NOTE: Lands, buildings and furnishings are provided and paid for by the Department of Public Works, and, consequently, such charges are not included in the above disbursements.

Neither does the above statement reflect any revenue that might properly accrue to the Department through the Franking Privilege covering Parliamentary and Government mail or other special services provided by the Post Office Department for other Government departments and agencies free of charge.

The Franking Privilege alone is estimated to involve a loss of revenue in excess of \$6,000,000 annually to the Department.

# GENERAL OPERATIONS OF THE MONEY ORDER SYSTEM IN CANADA FOR THE PAST 5 YEARS

Year	Number of Issuing Offices	Number of Money Orders Issued			Value of Money Orders Issued			Average Value per Order	Gross Revenue from Fees	Average Fee per Order
		Payable in Canada	Payable in other Countries	Total	Payable in Canada	Payable in other Countries	Total			
					\$	\$	\$	\$	\$	¢
1953										
N. ....	7,830	11,547,845	1,687,365	13,235,210	424,486,265.34	16,977,579.06	441,463,844.40	33.35	2,422,752.39	18.3
D. ....	11,288	29,832,730		29,832,730	181,803,040.11		181,803,040.11	6.09	3,246,609.88	10.9
Total .....		41,380,575	1,687,365	43,067,940	606,289,305.45	16,977,579.06	623,266,884.51	14.47	5,669,362.27	13.2
1954										
N. ....	7,916	12,611,249	1,839,986	14,451,235	462,010,496.83	19,564,826.10	481,575,322.93	33.32	2,652,600.83	18.4
D. ....	11,264	31,346,723		31,346,723	194,505,334.07		194,505,334.07	6.20	3,448,955.77	11.0
Total .....		43,957,972	1,839,986	45,797,958	656,515,830.90	19,564,826.10	676,080,657.00	14.76	6,101,556.60	13.3
1955										
N. ....	7,925	12,820,446	2,016,503	14,846,949	467,760,754.67	21,894,720.81	489,655,475.48	32.98	2,717,903.53	18.3
D. ....	11,200	32,056,010		32,056,010	201,169,311.45		201,169,311.45	6.28	3,544,134.07	11.0
Total .....		44,886,456	2,016,503	46,902,959	668,930,066.12	21,894,720.81	690,824,786.93	14.73	6,262,037.60	13.3
1956										
N. ....	8,004	13,708,812	1,941,109	15,649,921	493,649,652.82	21,922,746.33	515,572,399.15	32.94	2,878,239.60	18.4
D. ....	11,099	33,431,161		33,431,161	210,358,333.64		210,358,333.64	6.29	3,705,027.49	11.1
Total .....		47,139,973	1,941,109	49,081,082	704,007,986.46	21,922,746.33	725,930,732.79	14.79	6,583,267.09	13.4
1957										
N. ....	8,080	14,869,121	2,396,087	17,265,208	553,449,546.94	26,906,760.54	580,356,307.48	33.61	3,197,075.25	18.5
D. ....	11,023	33,917,088		33,917,088	219,258,696.94		219,258,696.94	6.46	3,792,334.74	11.2
Total .....		48,786,209	2,396,087	51,182,296	772,708,243.88	26,906,760.54	799,615,004.42	15.62	6,989,409.99	13.7

N - Notched Money Orders      D - Denominative Money Orders



# EXCHANGE OF MONEY ORDERS BETWEEN CANADA AND OTHER COUNTRIES

## FOR FISCAL YEARS 1955-1956 and 1956-1957

Name of Country	Issued in Canada			Payable in Canada		
	Number		Amount	Number		Amount
	1955-56	1956-57		1955-56	1956-57	
Australia.....	2,375	2,256	\$ 27,782.24	2,964	3,247	\$ 25,807.06
a) Austria.....	246	2,590	5,242.18	14	66	259.06
Bahamas.....	266	285	4,507.45	73	82	1,122.03
Barbados.....	2,090	2,286	26,241.50	23	29	136.13
Belgium.....	4,174	4,596	77,275.34	2,636	2,594	100,327.32
Bermuda.....	607	693	9,785.09	384	338	9,550.11
British Guiana.....	1,353	1,643	21,391.94	6	14	37.69
British Honduras.....	66	79	899.30	10	35	103.43
Denmark.....	851	1,252	24,740.05	188	119	640.47
b) Fiji.....	46	44	955.86	—	—	—
France.....	19,324	18,983	384,294.99	924	1,127	30,647.53
German Federal Republic.....	28,410	36,260	633,994.89	1,325	2,140	35,809.66
c) Great Britain and Northern Ireland.....	360,325	391,428	4,216,954.68	8,851	8,816	62,349.78
Holland.....	20,918	23,002	287,906.65	748	985	12,464.84
Hong Kong.....	611	560	13,608.39	4	2	30.00
Iceland.....	51	31	536.83	—	—	—
Republic of Ireland.....	7,428	8,347	119,576.33	340	385	1,600.21
Italy.....	29,082	26,220	1,078,486.89	52	107	737.67
Jamaica.....	6,526	8,834	94,663.13	36	23	1,593.46
Japan.....	8,432	9,522	211,518.15	5	14	17.30
Leeward Islands (comprising Antigua, Montserrat, St. Kitts-Nevis and Virgin Islands).....	962	1,158	9,439.49	39	55	596.63
Malaya.....	157	162	2,523.90	—	6	—
Mexico.....	431	516	7,487.78	17	35	105.06
New Zealand.....	1,007	1,262	12,863.96	202	260	2,418.25
Norway.....	1,495	1,584	40,986.40	—	—	—
Poland.....	170	292	2,929.63	—	—	—
Sweden.....	1,297	1,521	23,608.97	23	54	980.17
Switzerland.....	2,069	2,140	45,777.84	548	592	12,954.85
Trinidad.....	918	1,003	12,900.04	—	—	—
Union of South Africa.....	6,772	7,374	106,504.45	83	81	1,248.80
United States.....	1,431,348	1,838,260	14,169,894.99	251,189	243,765	4,341,549.41
Windward Islands (comprising Dominica, Grenada, St. Lucia and St. Vincent).....	700	809	10,980.48	22	35	129.99
Yugoslavia.....	602	1,095	13,826.52	—	—	—
<b>1,941,109</b>	<b>2,396,087</b>	<b>\$21,700,086.33</b>	<b>\$26,906,760.54</b>	<b>270,706</b>	<b>265,006</b>	<b>\$4,643,216.91</b>

— Money Order Service resumed 1st January 1956

— Orders from Fiji to Canada advised via Great Britain since 19th September 1932

— including British possessions and other countries using British Exchange facilities

a) Austria

b) Fiji

c) Great Britain and Northern Ireland



**OPERATIONS OF THE POST OFFICE SAVINGS BANK  
FOR THE TEN FISCAL YEARS ENDED MARCH 31, 1957**

Year ending 31st March	Balance on deposit beginning of Fiscal Year	Amount of deposits	Interest Allowed to Depositors	Amount of Withdrawals	Balance on deposit end of Fiscal Year	Number of Accounts end of Fiscal Year	Average at credit of depositors end of Fiscal Year	Number of Post Office Savings Banks 31st March
1948 .....	35,764,512.33	11,983,689.97	690,584.18	12,212,726.26	36,226,060.22	248,380	145.85	1,603
1949 .....	36,226,060.22	12,843,954.23	710,012.33	12,038,638.16	37,741,388.62	269,161	140.20	1,557
1950 .....	37,741,388.62	12,144,889.17	729,006.54	11,860,650.53	38,754,633.80	274,423	141.21	1,536
1951 .....	38,754,633.80	10,368,265.52	733,893.07	12,194,871.84	37,661,920.55	278,595	135.18	1,531
1952 .....	37,661,920.55	11,011,092.14	722,803.77	11,364,584.26	38,031,232.20	282,326	134.70	1,513
1953 .....	38,031,232.20	11,521,742.93	741,954.38	10,972,699.97	39,322,229.54	287,468	136.79	1,512
1954 .....	39,322,229.54	10,597,045.60	733,009.05	12,859,369.98	37,792,914.21	291,602	129.62	1,495
1955 .....	37,792,914.21	9,402,227.13	713,078.63	11,127,553.80	36,780,666.17	293,840	125.17	1,457
1956 .....	36,780,666.17	9,241,387.75	698,775.58	10,556,369.38	36,164,460.12	296,424	122.00	1,453
1957 .....	36,164,460.12	9,663,773.62	753,112.07*	10,662,846.82	35,918,498.99	298,700	120.25	1,440

\* Effective 1st November 1956 the interest rate increased to 2½%

# STATEMENT OF POST OFFICE GUARANTEE FUND TRANSACTIONS

## Assets on March 31st, 1956:

Cash on deposit in Post Office Savings Bank	\$ 17,638.79	
Bonds at cost adjusted for amortized premium and discount plus accrued interest	393,572.99	\$411,211.78

## Additions:

Interest on bonds	11,035.59	
Interest on bank deposit	359.95	
Collections of previous years' payments	590.50	11,986.04
		<b>\$423,197.82</b>

## Deductions

Eight withdrawals to reimburse the Department for losses due to malfeasance on the part of Post Office employees	13,919.22	
Loss sustained in exchange of 5th Victory Loan 1956-57 Bonds for Canada 1996-98 Bonds	240.00	14,159.22

## Assets on March 31st, 1957:

Cash on deposit in Post Office Savings Bank	16,723.76	
Bonds at cost adjusted for amortized premium and discount plus accrued interest	392,314.84	\$409,038.60

## NUMBER OF POST OFFICES

Statement showing the number of Post Offices in operation in Canada on March 31st 1956, the number of Post Offices established and the number of Post Offices closed during the year from April 1st 1956 to March 31st 1957 and the number in operation on March 31st 1957.

Province	Number of Post Offices in operation on March 31 1956	Number of Post Offices established from April 1 1956 to March 31 1957	Number of Post Offices closed from April 1 1956 to March 31 1957	Number of Post Offices in operation on March 31 1957
Newfoundland.....	636	9	5	640
Prince Edward Island.....	105	—	—	105
Nova Scotia.....	1,124	3	10	1,117
New Brunswick.....	736	—	33	703
Quebec.....	2,463	16	44	2,435
Ontario.....	2,644	21	38	2,627
Manitoba.....	815	4	2	817
Saskatchewan.....	1,332	3	17	1,318
Alberta.....	1,141	11	28	1,124
British Columbia.....	947	16	23	940
Yukon.....	16	—	—	16
Northwest Territories.....	37	—	—	37
<b>TOTAL.....</b>	<b>11,996</b>	<b>83</b>	<b>200</b>	<b>11,879</b>

Total number of Post Offices in operation on 31st March 1956 11,996

Total number of Post Offices in operation on 31st March 1957 11,879

Net decrease 117

Number of Post Offices established from 1st April 1956 to 31st March 1957 83

Number of Post Offices closed from 1st April 1956 to 31st March 1957 200

# INVESTIGATIONS ACTIVITIES, FISCAL YEAR 1956-57

PROSECUTIONS	Convictions	Acquittals	Cases in Court	TOTALS
Robberies.....	115	13	12	140
Receiving .....	6	3	3	12
Shortages .....	28	2	2	32
Thefts .....	58	1	10	69
Delay & Secrete .....	19	—	—	19
Forgeries .....	24	1	6	31
Miscellaneous .....	22	7	3	32
<b>TOTALS .....</b>	<b>272</b>	<b>27</b>	<b>36</b>	<b>335</b>

Of the 335 prosecutions, 96 involved postal employees and 239 non post office personnel.

## UNDELIVERABLE MAIL OFFICE TRANSACTIONS 1956 - 1957

### INTERNATIONAL MAIL MATTER -

Of Foreign and Domestic origin undeliverable in Canada and abroad

Foreign origin .....	2,357,624
Canadian origin .....	239,864

### DOMESTIC MATTER -

Undeliverable as addressed.....	9,221,398
	<b>11,818,886</b>

### UNCLAIMED PARCELS

Of Canadian origin, undeliverable in Canada and abroad .....	54,334
--	--------

### CASH STATEMENT

(a) Cash found in undeliverable mail .....	\$42,129.60
(I) Cash refunded .....	\$27,476.55
(II) Cash unclaimed .....	\$14,653.05
(b) Revenue collected on returned undeliverable mail .....	\$26,863.36
(c) Proceeds of sale of unclaimed articles .....	\$ 5,603.36

**ENQUIRIES**  
**STATEMENT OF INDEMNITIES**  
**REGISTERED: INSURANCE: C.O.D. SERVICES**  
**Fiscal Year 1956-1957**

**1. Registered**

*(a) Domestic Mails*

Number of indemnity claims paid.....	128
Amount of indemnity paid.....	\$ 2,977.28
Paid from Departmental Funds .....	\$ 2,732.46
Indemnity recovered .....	\$ 244.82

*(b) International Mails*

Number of indemnity claims paid.....	117
Amount of indemnity paid.....	\$ 696.04
Paid from Departmental Funds .....	\$ 197.66
Indemnity recovered .....	\$ 498.38

**2. Insured**

*(a) Domestic Mails*

Number of indemnity claims paid.....	8,467
Amount of indemnity paid.....	\$ 92,606.67
Paid from Departmental Funds .....	\$ 88,236.86
Indemnity recovered .....	\$ 4,369.81

*(b) International Mails*

Number of indemnity claims paid.....	83
Amount of indemnity paid.....	\$ 1,183.57
Paid from Departmental Funds .....	\$ 1,045.86
Indemnity recovered .....	\$ 137.71

**3. C.O.D.**

Number of indemnity claims paid.....	3,005
Amount of indemnity paid.....	\$ 30,739.12
Paid from Departmental Funds .....	\$ 24,708.53
Indemnity recovered .....	6,030.59
<b>Total indemnity paid .....</b>	<b>\$128,202.68</b>
<b>Total indemnity recovered.....</b>	<b>11,281.31</b>
<b>    Paid from Departmental Funds .....</b>	<b>\$116,921.37</b>



## RURAL DIRECTORY TRANSACTIONS

Post Office Rural Directories Sold and Distributed During the Years ended March 31st, 1956 and 1957

	1955 -56	1956 -57
Newfoundland .....	341	244
Prince Edward Island .....	82	110
Nova Scotia .....	357	398
New Brunswick .....	311	327
Quebec .....	1,693	1,955
Ontario .....	2,263	2,528
Manitoba .....	524	468
Saskatchewan .....	977	1,022
Alberta .....	1,367	1,241
British Columbia .....	638	691
	8,553	8,984

### Revenue From Sale and Use of Rural Directories, Number Booklets and Letter Carrier Walk Lists

Rural Directories sold .....	\$ 14,158.35	\$ 14,552.00
Mailings from Name Lists .....	585,683.38	735,827.80
Householder Mailings .....	2,801,247.71	3,457,927.40
	\$3,401,089.44	\$4,208,307.20

## PURCHASING AND STORES

The following expenditures were made during the fiscal year 1956-57

Freight, Express and Cartage .....	\$ 49,882.35
Publication of Departmental Reports and Other Material .....	127,798.13
Truck Signs, Householder Leaflets and Other Material .....	28,460.41
Office Stationery Supplies and Equipment .....	502,666.90
Portion of Rental of Storage Space .....	676.55
Mail Bags, Uniforms and Other Materials and Supplies .....	1,654,353.06
Portion of Acquisition of Equipment .....	964,838.21
Rural Mail Delivery Boxes .....	25,432.90
Repairs and Upkeep of Equipment .....	163,917.64
Rental of Equipment .....	84,149.91
Sundry Operating and Administrative Materials .....	933.79
Postage Meter and Postage Register Supplies .....	36,993.83
<b>Total for the year 1956-57 .....</b>	<b>\$3,640,103.68</b>
<b>Total for the year 1955-56 .....</b>	<b>\$3,470,155.15</b>











**REPORT**  
*of the*  
**POSTMASTER**  
**GENERAL**

*for the*  
**Year Ended March 31**  
**1958**





*Annual Report of the Postmaster General for the Year Ended March 31, 1958*

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# REPORT

*of the*

POSTMASTER GENERAL

*for the*

YEAR ENDED MARCH 31

1958



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*To His Excellency The Right Honourable  
Vincent Massey, C.H., Governor General  
and Commander-In-Chief of Canada.*

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour to forward to Your Excellency the accompanying report of the Post Office Department of Canada for the year ended March 31, 1958, which is respectfully submitted.

I have the Honour to be, Sir, Your Excellency's Most Obedient Servant,

WILLIAM HAMILTON,  
*Postmaster General*

Post Office Department,  
December 1, 1958.





Ottawa 4, Ontario  
November 18, 1958

*The Honourable William Hamilton, B.Sc., P.C., M.P.,  
Postmaster General of Canada.*

SIR:

I have the honour to submit the Annual Report of the Post Office Department of Canada for the fiscal year ended on March 31st, 1958.

It is gratifying to find that there is an ever increasing demand by the public on the services of the Department. This is reflected in the revenue for the year which reached a new record level of \$177,492,783.20. As forecast in the report of the preceding year, there was a heavy increase in operating costs bringing the total expenditure to \$177,892,684.42, leaving a deficit for the year of \$399,901.22. While this deficit on the year's operations is comparatively small, it seems advisable to draw attention to the fact that it might be much larger for the coming year, particularly if increased payments have to be met for salaries and transportation of mails.

The year 1957-1958 will be remembered in Canadian postal history for the fact that Canada was the host country for the XIVth Congress of the Universal Postal Union to which delegations were sent to Ottawa from ninety-six countries of the world.

Mail volume exchanged with other countries continued to increase necessitating expansion of existing services and the establishment of new services as well. In the domestic field an endeavour was made to keep pace with the rapid growth, both rural and urban, and during the year for example the number of calls on Rural Mail Routes was increased by 30,000 provided through 760 Rural Route and Suburban Service extensions. In the cities Letter Carrier Delivery service was increased by the establishment of 233 new letter carrier walks serving some 78,523 calls beyond previous limits of delivery. In addition, existing letter carrier service was expanded by some 31,300 calls.

It has been apparent for some time that traditional methods for the handling of mail are no longer adequate for present day needs. This is the common experience of all the larger postal administrations of the world which are endeavouring to apply the principles of electronics to mail-handling problems. The tripartite conferences and discussions which you arranged with the postal officials of Great Britain and the United States for the sharing of information from research projects, in the various aspects of mail handling have already resulted in the exchange of much valuable material. To these discussions Canada was able to make a valuable contribution from the knowledge gained through experiments with its prototype machine for electronic sortation. This whole broad subject will continue to receive close attention.

I desire to record here my appreciation of the loyal and devoted service of all postal employees, both at Headquarters and in the Field.

Yours truly,

G. A. Boyle,  
*Deputy Postmaster General.*

NOVEMBER 18, 1958.



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## **General Introduction**

The vital role played by the Postal Service of Canada in the social and business life of the country is indicated not only by the volume of mail carried, but also by the revenue resulting from the year's operations.

In both these respects in the fiscal year 1957-58, despite evidences of softening in some areas of the nation's economy, new records were established, the one of 3,722,941,400 pieces of mail handled, and the other at \$177,492,783.20 in receipts for services rendered. In volume of mail the increase over 1956-57 was some 237,550,000 and in revenue \$9,612,914.14.

### **Expenditures Increased**

While the increase in mail volume was reflected in the increased revenue, it also had its effect on expenditures which rose by \$15,843,679.16 over the previous year to \$177,892,684.42.

This resulted in a deficit on the year's operations of \$399,901.22.

Chief causes of the greatly increased expenditures were higher salaries for all levels of both headquarters and operating personnel as well as heavier railway, highway and air transportation service outlays.

### **Vast Handling Effort**

It is generally estimated that an item of mail matter must be handled an average of 30 times in course of post from point of mailing to point of delivery. On the 3,722,941,400 items which passed through the service last year, this meant a total of more than 110 billion handling operations performed by the approximately 50,000 postal workers.

It is the astronomical size of this manipulative task which has directed the attention of the Department, among others of the larger postal administrations, to search for electronic and mechanical aids in mail handling techniques, which in turn resulted during the year in an arrangement with the postal administrations of Great Britain and the United States for the pooling of all information gained from research projects in this field.

### **Extensions of Service**

In rapidly growing Canada, extensions of service in letter carrier areas and on rural routes are important elements in the increased expenditures from year to year. These extensions must nevertheless be provided if a proper standard of mail service is to be maintained. In the year under review, 11 growing communities were accorded letter carrier delivery status, embracing over 31,000 new points of call.

Extension of boundaries in existing letter carrier delivery areas and "filling" in on existing walks raised the total of new letter carrier delivery calls to 109,833. There are now 4,873 letter carrier walks in the country in 152 communities. On

rural routes and suburban services there was an increase of 22,000 points of call in the year, bringing the grand total of points of call in the country, letter carrier and rural route to 2,832,000, an increase of 132,000 in the year.

Despite the pre-occupation of senior headquarters and many field officials over long periods with arrangements for the Universal Postal Union Congress in Ottawa in August and September of 1957, many improvements were achieved in service to the public and in internal operating procedures and these are described in detail elsewhere in this report.

Certainly, however, the Congress dominated the year's activities.

## **Fourteenth Congress of the Universal Postal Union**

Ninety-six different countries sent some four hundred Postal experts to Ottawa for the Fourteenth Congress of the Universal Postal Union. Lasting seven weeks from August 14th to October 3rd, 1957, the colourful sessions were held in the Parliament Buildings where the Commons Chamber and other space was turned over to the Universal Postal Union.

The Universal Postal Union was founded in Berne, Switzerland, in 1874 with Canada joining in 1878. The Union was formed as a result of the recognition of the mutual need of international collaboration and control to ensure a smooth flow of mail between all countries of the world.

The first meeting in Berne in 1874 brought agreement on the first Conference covering all phases of movement of international mail. Since then, Universal Postal Union Congresses are held every five years to make such changes and modifications to keep the convention aligned with ever changing conditions and needs.

At the 1952 Congress in Brussels, Belgium, the invitation of the Canadian Government to hold the Fourteenth Congress was extended and accepted. At the Ottawa Congress in 1957, more than twelve hundred proposals were considered and while not all were adopted, the number presented was indicative of the alertness of member administrations to means of seeking improvement.

At the opening of the Congress two Secretariats took over the task of administrating the day-to-day conduct of the Congress. The International Secretariat, provided by the International Bureau was made up of experts in the technical side of Congress management. The Canadian Secretariat was composed of specially trained representatives of the Canadian Postal Service.

### **Inaugural Ceremony**

On August 14th, 1957, in the Senate Chamber, the Honourable William Hamilton, Postmaster General, welcomed the delegates in the English and French languages stating that before the advent of the Union there had been over twelve hundred rates for mail between the countries originally represented in the Union, all of which had been brought within a single rate schedule covering surface mail between these same countries.

This demonstrated in a striking way the great benefit which the formation of the Union had brought to all mankind, for it was impossible to conceive our modern society without the easy and economical exchange of the written word which the Post alone made possible. In concluding his remarks the Postmaster General introduced the Prime Minister of Canada, Rt. Hon. John G. Diefenbaker.

### **Mail Knows No Frontiers**

In welcoming the delegates on behalf of the Government and people of Canada, Mr. Diefenbaker, also speaking in French and English, wished the Congress every success in its work, and said that because of the activities of the Universal Postal Union, mail knows no frontiers. Largely unaffected by the

strains and stresses of ordinary international political relations, the Union had created one world free of artificial frontiers and as a result more than 1,000 million pieces of mail crossed the political frontiers of the world annually. Particularly he welcomed the delegates as the representatives of the hundreds of thousands of postal workers throughout the world, who daily devote themselves to the service of moving the mail.

Speaking for the delegates in reply, the Doyen of the Congress, Sir Dudley Lumley, K.B.E., C.B. in French and English, expressed the deep gratitude of the delegates to the Government of Canada for the warmth of its welcome.

### The Closing Ceremony

The closing ceremony of the Congress was held in the House of Commons Chamber on September 27th, and on the dais was the Prime Minister, Mr. Diefenbaker, the Postmaster General, Mr. Hamilton, President, Mr. Turnbull, the Dean, Sir Dudley Lumley and Dr. Fritz Hess, Director of the International Bureau, Berne, Vice-President.

Sir Dudley Lumley, in an address which was eloquent of the accomplishments of the Congress and the kindness which had been shown to the delegates, spoke in moving terms of the efforts made by the President, the Canada Post Office, the Queen's Printer, the Department of Public Works, the Inter-Departmental Committee, the Chief of the Secretariat and his assistants, the Rapporteurs, the Chief of the Canadian Secretariat, and many others to assure the smooth operation of the meetings and to provide for the convenience and entertainment of the delegates.

The Prime Minister, Mr. Diefenbaker, in his closing remarks congratulated the delegates on their work and asked them to transmit to their Governments on their return home, "Our appreciation for what they have done and our desire to contribute our part with their countries to bring about peace".

In its final act, the Congress chose Rio de Janeiro as the site of the XVth Congress, five years hence.

## THE POSTAL SERVICE OF CANADA

From an operating standpoint, the Postal Service of Canada consists of two main elements: one, the great chain of Post Offices, which large and small serve the people of Canada wherever they may be in the great land mass between the Atlantic and the Pacific and South-western Ontario to the Arctic Ocean; and two, the tremendous network of transportation services, in the air, on the land and on water which link the Post Offices together into a vast, smoothly operating machine. This machine exists for one purpose and one purpose only, to effect the exchange of mail between Canadians at home, and with their correspondents abroad, swiftly and efficiently and at the lowest possible cost.

### The Post Office

Because the local Post Office is the focal point of contact between the public and the service, it is the Postal Service as far as the public is concerned, and the average citizen's opinion of the efficiency or otherwise of the service depends very much on the kind of service he receives from it. It is only natural, therefore, that much of the Department's concern should be with the sound and careful administration of post offices.

### Number of Post Offices

At the close of the fiscal year, there were 11,768 Post Offices in Canada, a reduction of 111 during the year. These Post Offices range in size from the huge establishments in cities like Montreal or Toronto, with revenues of approximately \$23,000,000 per annum in the one and \$35,000,000 in the other, down to those in small hamlets having an annual revenue of less than \$100.

In the early days of the country when road communications were not as good as they are today, the convenience of the public in the rural areas was often best served by a small Post Office rather than a rural mail delivery route. Today, however, that situation has changed and in many areas it has become possible to give the public better service through a rural route than through a Post Office, and as rural route service tends to be more economical as far as the Department is concerned, the public interest is served by making such changes. This, in most cases, is the reason for the reduction in the number of offices during the year.

### Staff Post Offices

Embracing all the larger type Post Offices in the country, in which the great bulk of postal business is done, staff offices are so termed because all their employees come within the provisions of the Civil Service Act. The number of staff offices increased by six during the year to a total of 321.

The number of employees in staff offices and their associated District Offices increased by 439 during the year, as follows:

	Full-Time	Part-Time	Total
March 31, 1957.....	20,477	2,142	22,619
March 31, 1958.....	20,725	2,333	23,058



The increase was attributable to the addition of the six new staff offices, the inauguration of letter carrier delivery in some localities not previously receiving this service, the extension of letter carrier delivery in communities already receiving it, and the increased volume of mail to be handled.

### **Letter Carrier Delivery**

Letter carrier delivery service was established during the year at La Tuque, Asbestos, Lachute, St. Eustache, and Ste. Anne de Bellevue, Que.: Richmond Hill, Agincourt and Newmarket, Ont.: Bathurst, N.B.; New Waterford, N.S., and Transcona, Man.

These inaugurations provided direct service to 31,024 homes and businesses through 57 new routes.

During the year 176 additional letter carrier delivery walks were established to extend service to 47,499 calls beyond the previous limits of delivery and embracing some 31,310 "fill-in" calls.

### **New Postal Stations**

To improve service to the public, and also the working conditions of letter carriers, in the cities concerned four new postal stations were established in Quebec, Ottawa, Toronto and Vancouver.

In Quebec, a new station was established to serve the community of Sillery, which is part of Quebec for postal purposes.

In Ottawa, Postal Station "C" was inaugurated to improve service to residents and business men in the western section of the city.

In Toronto, Postal Station "T" was set up, to serve the area bounded by the C.N.R. tracks on the west, Highway 401 on the north, Bathurst Street on the east and Eglinton avenue on the south.

In Vancouver, Postal Station "A" was relocated into the former main post office building, with the removal of that office to a new Federal Building. This station will serve the down-town and financial districts.

### **Salaries of Postmasters**

The salary adjustment approved by Parliament for all civil servants was extended, under authority of the Postmaster General, to postmasters and assistants in semi-staff offices and to postmasters in revenue post offices, and sub-postmasters. The new salary schedule affecting those classes of employees paid from revenue was made retroactive from May 1, 1957.

During the year, 29 post offices were raised from the class of revenue post office to that of semi-staff.

### **Group Mail Boxes**

In order to improve service to householders living in rapidly building up areas in cities, but which do not yet meet the requirements for letter carrier delivery, the Department has adopted a group mail box system, and considerable extension was made in the use of this facility during the year. The system is also used to replace large clusters of rural mail boxes on rural routes. Letter carriers serve the boxes on the boundaries of cities, while rural route couriers deliver to those on rural routes. The number of group box units in service, with ten boxes to the unit, increased by 1,569 during the year.

## Buildings and Accommodation

A very active program has been pursued for some years as part of the general plan for improvement in service, for the modernization of buildings used by the postal service as well as equipment used. New Post Offices which have been erected through the Department of Public Works since then in all parts of the country, while designed in most cases strictly for post office work, are in the modern style of architecture and very attractive in appearance. Two of the largest projects brought to, or near, completion during the year were the new Vancouver Post Office and the new Winnipeg Post Office. The beautiful new Vancouver Post Office, one of the largest Post Office structures in the British Commonwealth, was officially opened for public service jointly by Hon. William Hamilton, Postmaster General, and Hon. Howard Green, Minister of Public Works, on Friday, March 14, 1958, and the magnificent new Winnipeg Federal Building was almost ready for formal opening at the year's end.

In addition to the erection of new buildings, many other existing structures have been extended and modernized to meet today's greatly increased demands on postal facilities and to improve working conditions of the employees.

Following is the building record for the year:

Province	New Buildings		Additions to Buildings	
	Completed	Under Construction	Completed	Under Construction
Newfoundland.....	7	7	1	
Prince Edward Island.....				
Nova Scotia.....	3	2	1	
New Brunswick.....	1	2		
Quebec.....	11	9	4	3
Ontario.....	20	13	6	1
Manitoba.....	1	2	1	1
Saskatchewan.....	8	3	1	
Alberta.....	7		1	2
British Columbia.....	5	1	2	1
N.W.T.....				
Totals.....	63	39	18	8

In addition 71 new leases were negotiated, 265 leases renewed, 79,995 post office boxes installed and 54 alterations to improve interior layout completed.

During the year, 14,400 new pieces of equipment or furniture were supplied for expansion or replacement purposes.

Arrangements were also made to repaint 5,000 street collection, group and letter carrier storage mail boxes.

## Mechanical Engineering

In the design of new buildings and in the remodelling of older ones, every possible provision is made for the mechanical movement of mail between floors and working sections on the same floors. In the new Vancouver Post Office building, for instance, the mail handling equipment includes 213 conveyors, using some seven miles of belting, to cover the very large working areas. The new Winnipeg Post Office is also amply provided with conveyor equipment to speed the flow of the mail. Two sorting machines for newspapers and parcels have been installed in each office. Mechanical mail handling installations in the Regina and Victoria Post Offices were also completed during the year.

## Stamp Vending Machines

Stamp vending machines placed by the Department in about 500 locations of a public nature throughout the country have proved very popular and an additional supply of 500 machines has been received to make further extensions possible. An order has been placed for 500 more, which will bring the total in service to 1,500.

## Undeliverable Mail

A continuing problem in the handling of mail is the amount which, through faulty addressing or the rapid shifting about of a large part of the population, becomes undeliverable and must be returned to sender, or, if this cannot be done disposed of according to law. The total number of items falling into this category during the year was 14,302,883, of which 11,638,603 was of domestic origin. Much of this was Third Class printed matter, of which a great volume passes through the mail stream.

Of parcels which became undeliverable during the year, 51,443 were unclaimed and had to be disposed of at auction. The sum of \$6,973.66 was realized from the proceeds of this sale.

Despite the Department's continued recommendation to the public that money orders be used for transmission of money through the mails, cash totalling \$49,361.92 was found in undeliverable mail. Of this amount it was possible to return \$33,233.69 to the senders, the balance, \$16,128.23 being deposited to the credit of the Receiver General. Revenue collected on returned undeliverable mail matter amounted to \$27,041.47 during the year.

## Security of Postal Values

The general increase in criminal activity throughout the country, coupled with the growth of the service has resulted in an increase in the number of crimes and offences affecting the Post Office.

New investigation cases dealt with during the year totalled 1,696. There were 355 prosecutions, of which 218 were for burglary of postal premises, receiving and possession of stolen post office property and forgery and uttering of money orders. Cases of theft, delaying and secretion of mail totalled 100, while there were 37 charges of conversion of post office funds and miscellaneous offenses.

Several substantial recoveries were made of stamps and money order forms stolen from post offices and key figures operating a wide ring of receivers and negotiators of stolen postal money orders were successfully prosecuted.

Statistics relative to prosecutions during the year will be found in the appendix to this report.

In addition to its investigational activities the Department intensified its efforts to make postal premises less vulnerable to those of criminal tendencies. Postmasters have been cautioned to give maximum attention to the securing of their premises during non-business hours and to make all necessary use of the night depository services provided by the banks. Many installations of safes and burglar alarms have also been made.

## Enquiries

It is inevitable that a service as large and wide-spread in its activities as the Canadian Postal Service should receive many complaints regarding non-receipt of mail or of excessive time taken in delivery. These complaints are regarded as being very important to the Department's efforts to maintain utmost efficiency of service and each incident is carefully investigated. In many cases, the results of investigation reveal some failing in mailing procedure on the part of the mailer and an opportunity is afforded to bring this to the attention of the patron. In other cases, investigation may reveal a defect within the service and here again corrective measures are taken.

It will be noted from the statement on Enquiries given in the appendix to this report that 11,911 claims were paid during the year, with total indemnities paid from departmental funds amounting to \$122,234.50. This compares with 11,800 claims and \$116,921.37 paid in the previous year.

The moderate increase in claims and indemnities is attributed mainly to the increasing awareness on the part of the public of free insurance, increases in the cost of merchandise and the ever increasing volume of mail.



## Transportation Services

As stated earlier in this report, the second of the two main elements which make up the Postal Service of Canada from an operating point of view—the first being the Post Office—is transportation of mail. Postal service on the present scale would be completely impossible were it not for the vast system of transportation services which moves the mail on land, on the water and in the air, not only in Canada but throughout the world.

### Air Mail Service

The year was marked by a steady increase in the volume of mail carried by air; not only within Canada but by the air mail services to other countries. There was also a corresponding increase in cost.

In Canada, all First Class letter mail up to eight ounces in weight is carried by air at ordinary rates of postage if by doing so faster service can be given over surface means of transportation. To other countries, however, the regular air mail rates apply.

In the international sphere, Air Parcel Post Service and Air A.O. Service, which includes articles other than letters, postcards and parcels, were extended to 44 additional countries or territories.

In the domestic service, several major changes in the operation of certain routes by specific air carriers were approved by the Air Transport Board. Canadian Pacific Air Lines discontinued domestic operations in Manitoba and Saskatchewan, and Maritime Central Airways discontinued service between Moncton, Saint John and Fredericton, N.B. In all cases, equivalent air mail service was available via flights of other carriers.

In view of the increasing importance of Frobisher Bay as a base for the development of the Arctic and as a refuelling stop for transpolar flights, an air stage service was established between Montreal and Frobisher Bay via flights of Nordair Limited.

In April, 1957, air mail service to the Magdalen Islands was increased in frequency and superseded the steamer service which formerly operated during the season of navigation. As a result, air mail service to the Magdalen Islands for all classes of mail is provided on a year round basis, with a frequency of one round trip daily except Sunday.

Several additional air mail and air stage services were established or increased in efficiency to serve isolated areas and also to improve supplementary service where existing surface transportation was considered inadequate.

Considerable progress has been made in the co-ordination of air, highway and city transportation services in order to achieve the best possible service with the facilities available. This program will be continued and expanded during the coming year.

During the year, a new procedure was developed for the preparation of routing and despatch plans with a considerable portion of the work being decentralized



to the field service. The results obtained have been most satisfactory and complete instructions as to the proper routing of mail conveyed by air are now available prior to the effective date of changes in the schedule.

### AIR MAIL STATISTICS

Services	1956-57		1957-58	
	Mail Ton Miles	Cost	Mail Ton Miles	Cost
T.C.A. Domestic.....	7,439,779	\$6,593,421	8,196,406	\$6,721,133
International.....		2,382,638		3,020,615
C.P.A. Domestic.....	717,975	1,404,278	742,943	1,408,247
International.....		420,247		507,519
Others.....	250,800	834,012	353,714	1,042,453
Total.....		\$11,634,596		\$12,699,967

### Land Mail Service

#### Rural Routes, Stage and Side Services

Householders served by rural routes and suburban services in Canada totalled 600,000 at the end of the year, 30,000 more than last year. The cost was \$9,164,085 against \$8,244,244 for the previous year. Part of the increased cost was an increase in the number of rural routes by 44 to 5476 and extensions on existing routes numbering 760.

For purposes of accuracy, some services which had been classified as stage services were transferred to the side service category. The grand total of these two types of service has decreased by 500, due to changes from Rail to Highway service.

#### CLASSIFICATION AND COST OF LAND MAIL SERVICES FOR 1957-1958

	Rural Routes	Stage Services	Side Services	Total
Number.....	5476	2143	3352	10,971
Cost.....	\$9,164,085	\$2,158,161	\$1,737,630	\$13,059,876

The total of \$13,059,876 is higher when compared with the total cost of the same services of \$12,165,212 in the previous year. Part of this increase was due to the additional services provided on rural routes, while part also was caused by adjustment in mail contract rates provided for under Sections 23 and 33 of the Post Office Act. Adjustments totalling 749 were made at an increased cost of \$190,043.

### City Services

The rapid expansion of urban areas and continued increase in mail volume, together with the need for improved mailing facilities for the public, imposed greater demands on city mail transportation services. It must also be remembered that urban postal transportation services use city streets on regular schedules and are as much affected by the increasing traffic density in urban areas as are other types of service.

Analysis of the organization and operation related to this type of activity in large cities has brought into focus possibilities for service improvement and

economy. The most noteworthy achievement in this respect has been the introduction of a new basis of remuneration for contractors engaged in the clearance of street letter boxes. This new system has the merit of adding a greater degree of flexibility to the actual operation of the service, providing a means for simple and practical cost controls.

Cost of mail transportation facilities in cities and towns amounted to \$7,722,194. This included delivery by motor vehicle of 26,174,930 parcels and 6,368,669 letter carrier bundles at an average cost of 10.4 cents per item as compared with a total of 28,246,435 articles at an average cost of 9.86 cents per item for the previous fiscal year.

CITY SERVICES STATISTICS

Service	1956-57		1957-58	
	Number	Cost	Number	Cost
Parcel Post Delivery.....	146	\$2,936,442	151	\$3,383,146
Street Collections.....	277	1,766,465	286	1,932,521
Conveyance of Letter Carriers....	115	567,352	129	627,694
Other Services.....	254	1,721,889	239	1,778,833
Total.....	792	\$6,992,148	805	\$7,722,194

Highway Services

The trend toward highway mail service continues, with even more extensive operations than were visualized as recently as a year or two ago. An example of the scope of the current developments is seen in the Medicine Hat-Nelson-Vancouver route performed in two stages covering a total distance of 1,000 miles each way, serving directly some 49 post offices while by-passing some 50 other offices which are served by two related "local" services and an independent service.

The practice of night operations is expanding, since it furnishes a most efficient service. Receipts are available to patrons early in the morning with despatches as late as possible, usually at the close of the business day.

Increasing quantities of mail call for larger and costlier equipment and, as with all other types of service, increased operating costs are bringing about higher service rates.

Highway services in operation at the end of the fiscal year totalled 307, 35 more than a year ago. The total cost is approximately \$2,700,000 per annum, an increase of \$800,000 over the previous year.

Railway Mail Service

Railway post offices manned by railway mail clerks are in operation on the principal trains in all parts of Canada. These services operate in conjunction with highway and baggage car services, ensuring continuity of despatch.

Considerable research is being done and is being continued in line with departmental policy to provide more efficient service. Due to the railways abandoning certain lines, changing the equipment in use, or changing the frequency of service, a number of railway post offices and baggage car services were superseded by highway services.

The following statement will reflect the changes which took place during the fiscal year:

	1956-57	1957-58
R.P.O.'s in operation.....	126	108
B.C.S.'s in operation.....	601	506
Number of Railway Mail Clerks.....	1,190	908
Miles travelled by R.M. Clerks.....	44,820,015	41,367,253
Cost of Service by Railway.....	\$13,902,217	\$14,957,592

### Mail Service by Water

Transportation of mail by water forms a considerable part of mail movement within Canada and overseas. Domestic routes operate on inland lakes, rivers and coastal waters to points as far north as Alaska on the west coast and the northerly reaches of Labrador on the east coast.

Further improvements were effected in the service for surface mails despatched to trans-Atlantic destinations and to Australasia, as additional passenger steamers became available.

### STATISTICAL STATEMENT

	1956-57	1957-58
Number of Domestic water routes.....	67	71
Cost of Domestic water service.....	\$ 960,129	\$ 969,309
Cost of International Service.....	1,298,639	1,373,922
Top Wharfage.....	51,832	55,501
Total cost of mail service by water.....	2,310,600	2,398,732

### Eastern Arctic

The rapid expansion of certain areas in the Eastern Arctic region, principally Northern Quebec and Baffin Island, was reflected in an increase of 24 percent in mail despatched by the Eastern Arctic Patrol over the previous fiscal year.

The 14 post offices and numerous non-post office points served by the patrol received a total of 61,062 pounds of mail, representing 729 despatches during the year.

The mail was transported to these areas by various means, Government and private vessels, R.C.A.F. and private courtesy flights, Air Stage services and R.C.M.P. patrols. More than 90 percent of the mail was carried to the Eastern Arctic areas via air transportation. The annual Christmas "Drops" performed by the R.C.A.F. distributed 6,546 pounds of mail to 19 settlements, an 11 percent increase in volume over the "Drop" of the previous Christmas.

The popularity of these mail deliveries to the North, particularly the Christmas "Drops" is evidenced by the expressions of appreciation and gratitude received by the department from various organizations and individuals.

## **Administration Review**

The policy adopted some years ago of decentralizing certain functions to the Field formerly performed at Headquarters has in the main been implemented, but opportunities continue to arise to extend the operation of this principle, with further resulting benefits from a cost and time-saving point of view.

### **Estimates and Budgets**

In recent years, a sub-allotment breakdown of printed estimates has been furnished the senior officials of the Department who are responsible for the estimates in their respective branches. This system has proved very effective, in that it has established a basis upon which to determine future requirements and to control expenditure. A further revision of this breakdown was made during the year to meet everchanging conditions.

The Postmasters' Budgetary system, which has now been in effect for several years was extended to five additional offices. This brings to 78 the total number of offices participating in this program. It is evident, the plan provides definite assistance to the postmasters of these offices in maintaining expenditure control.

### **Cost Ascertainment**

The cost ascertainment tests are now being conducted at designated test post offices on a triennial basis. The next tests will be conducted in the fiscal year 1958-1959.

Apportionment data and ratios, derived from the last tests in the fiscal year 1955-1956, as well as information from several other sources, were used to develop volume, revenue and expenditure figures which will reflect, with reasonable accuracy, the participation of each class of mail and each special service in the total revenues and expenditures for the Fiscal year 1957-1958.

During the past Fiscal year, research was made of test forms, instructions, statistical methods and data on hand, with a view to saving time, printing costs and avoiding disruption of mail handling, while conducting tests at post offices without decreasing the degree of accuracy and the value of the results. As a consequence of this research, appreciable savings will be made in connection with the tests to be held next year.

A study was made of the method used in the past for the gathering of data on householder mailings in order to establish a more direct means of obtaining actual figures.

Because of the study made, a procedure was adopted which will allow an accounting of all householder mailings at all post offices concerned throughout the year without any significant increase in work, instead of establishing the information on samplings and projection methods.

### **Cost Control Program**

The Work Measurement and Time Study program, consisting of the measurement of mail volumes, hours worked and, in most cases work standards, was extended to include certain major sections of one additional Post Office. The program is now being conducted at Montreal, Toronto, Vancouver, Winnipeg, Hamilton, Ottawa, Quebec, Windsor-Walkerville, Peterborough. Cost Control



statements are compiled weekly showing volumes of mail processed, man-hours worked and labour dollar costs. The results of these statements have been of valuable assistance in better staffing of the post offices concerned and at the same time in reducing costs.

### Office Services

The importance of office services and related functions can best be appreciated in the perspective of the whole Headquarters organization and establishment. Centralized Control provides the five large branches of the Department with record management, stenographic and messenger services. They also attend to the preparation and distribution of printed matter, such as directives, notices, instructions, etc., the ordering, issue and control of office supplies, publications, identity cards, and the like; they investigate the need for, and control the use of office machines and maintain certain statistical information of general interest.

More than 150 requisitions for office machines were investigated and recommendations made. New kinds of office machines were tested and evaluated. As a result of the strict control exercised the number of office machines at all offices was kept to a minimum.

### Public Relations

As a service organization whose facilities are used by almost everyone in the country all their lives, either for social or business purposes, the Canadian Postal Service is heavily dependent on co-operation from the public in a number of ways for its efficient operation.

One of the most important of these is care in the addressing of mail, whether this mail is in the form of a letter, a circular, a periodical or a parcel. In order that the public may be kept informed of the many ways in which the delivery of mail may be expedited through co-operation by the public, advertising campaigns are conducted throughout the year, with special emphasis on the Mail Early at Christmas Campaign.

The Mail Early at Christmas campaign of 1957 was undoubtedly one of the most successful in the history of the department, statistics show that for Letter Carrier Delivery Offices 219,831,289 pieces were mailed between Dec. 8 and Dec. 24,—130,773,045 were placed in the mail stream before the Department's suggested mailing "deadline" date of Dec. 17, as against 89,058,244 afterward. This high percentage of early mailing was undoubtedly responsible for the fact that with the exception of items delayed through late mailing or some other reason, all Christmas mail was in the hands of the addressees well before Christmas Day. Also contributing considerably to the success of the campaign was the extended use of the Department's "Local" and "Out-of-Town" labels, which are distributed generously to the patrons of letter carrier offices as part of the mail early drive. The public, by appropriately separating and packaging their Christmas cards for mailing, assists the smooth flow of the greatly increased volume of mail, and thus expedites delivery.

The Department's new public relations film: "Postmark Canada" was completed by the National Film Board at the close of the year, and distributed for public showings through the Department's public relations officers in the field. This film, in color, describes the work of the postal service on behalf of the people of Canada from coast to coast, and illustrates graphically the impact of its activities on the social and economic life of the nation.



## **Purchasing and Stores**

To meet the constant problem of quickly providing suitable uniforms to new employees, a change was made in the method of ordering and stocking. The new procedure will improve the appearance and morale of new members of the uniformed staff.

(See appendix for details of expenditure on stores items and services used in the operation of the service).

## **Management Development**

As part of the Department's program of management development, several hundred officers and supervisors rotated jobs or were assigned temporarily to other locations for varying periods according to individual needs. The third bi-annual appraisal of all supervisory staff was started near the end of the fiscal year.

## **Staff Training**

A series of color slide films was produced within the service to give an over-all picture of the postal service. This film is being used to acquaint all Headquarters staff with postal operations and to help indoctrinate new employees. Several series on specific postal operations are being developed as visual aids to training.

The group course in letter writing has been attended by nearly 1,000 supervisors and correspondence clerks. It is now being supplemented by a course in report writing, especially for operating supervisors in post offices. Further, a home study course was developed for those in centers where the staff is too small to conduct the group course.

A booklet, "Building a Better Team Through Personnel Development" was produced for the information of the Department's 2,500 officers and supervisors.

## **Safety Program**

The experimental safety program in the Montreal Post Office resulted in a substantial reduction in the number of accidents and in the number of days lost through accidents. The program was extended to the Toronto and Ottawa Post Offices.

## **Staff Services**

Considerable progress was made in decentralizing responsibility for certain staff matters to the field. For example, senior field officers now have wider authority for the administration of leave regulations and Headquarters no longer maintains detailed records of attendance for staff in the larger field offices, nor any personnel records at all for part time employees in larger offices. This will reduce the records staff at Headquarters without any corresponding increase in the field.

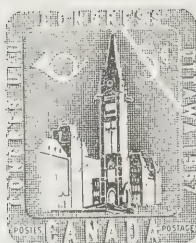
A long study of staff records system culminated this year in the start of a major change towards modernization with a visible card records system.

## **Total Staff**

The usual pattern was continued of a percentage increase in staff of about half the percentage increase in the volume of mail. The rate of staff turnover showed a moderate drop from eleven percent to nine percent.

**NUMBER OF EMPLOYEES IN THE DEPARTMENT AS AT MARCH 31, 1958,  
EXCLUSIVE OF THOSE WORKING UNDER CONTRACT**

Headquarters.....	1,044
District Offices.....	695
Staff Post Offices, Full time.....	19,126
Staff Post Offices, Part time.....	2,402
Railway Mail Clerks.....	908
Semi-Staff-Postmasters.....	1,327
Semi-Staff Assistants, Full Time.....	1,504
Semi-Staff-Assistants, Part Time.....	1,417
Revenue postmasters.....	8,217
Assistants, Full time.....	7
Assistants, Part time.....	147
Sub Postmasters.....	1,480
Postal Agencies.....	32
Seasonal Postmasters.....	284
Total.....	<hr/> 38,590



## Financial Services Review

The Canadian Postal Service provides two main forms of financial service for the convenience of the public. One is the Savings Bank system and the other is the Money Order system. The Savings Bank facilities are available at 1,500 of the 8,000 accounting post offices throughout the country, and money order services at almost 11,000 offices. In keeping with other phases of the Department's operations, both these services showed a substantial increase in business transacted during the year.

In addition to these public financial services, a complex financial accounting and control system serves the internal needs of the Department and the postal service generally, and active steps were taken to simplify and improve these procedures during the year.

### Postage Stamp Issues

While basically the Postage Stamp is intended to serve merely as an indication of postage paid, a strong public interest in its artistic and philatelic aspects has developed over the past 100 years. Canadian postage stamps have always ranked high in both respects, and the issues of the past year have continued to attract a high degree of public interest and approbation.

Eight new design stamps were issued during the year. All were of the five cent denomination with the exception of one of the 15 cent value. All were special issues that were not reprinted after the limited quantity of the original order had been sold.

In support of Canada's Wild Life Week, a stamp illustrating the Loon was issued on April 10th. On the 5th of June, a stamp was issued to commemorate the famous Canadian explorer and geographer, David Thompson. Two stamps were issued on August 14 to honour the Universal Postal Union on the occasion of its 14th Congress, held in Ottawa. The 15 cent denomination stamp mentioned was one of these. On September 15, a stamp was issued to pay tribute to the mining industry.

The visit of Her Majesty Queen Elizabeth II and Prince Philip was commemorated on October 10 by the issue of a stamp portraying the royal couple. An issue of January 22, 1958, emphasized the significance of the printed word, and on March 5, the part played by Canada in the International Geophysical Year was commemorated.

The designers of these stamps were the following Canadian artists: Laurence Hyde, Montreal; George A. Gunderson, Ottawa; Carl Mangold, Montreal; A. J. Casson, R.C.A., Toronto; A. L. Pollock, Toronto.

### Philatelic Revenues

The following table gives the revenues received from philatelic orders during the past five years:

Year	Number of Orders	Net Revenue
1953-54.. . . . .	26,545	\$418,258.00
1954-55.. . . . .	24,505	295,169.00
1955-56.. . . . .	30,254	307,042.00
1956-57.. . . . .	24,780	315,130.00
1957-58.. . . . .	35,488	381,831.32



## **Post Office Savings Bank**

The Post Office Savings Bank, established in 1867, is a service operated by the Post Office Department for the promotion of thrift. Personal, Joint, Trust and other types of accounts may be opened. The service, available at 1,500 of the 8,000 accounting post offices is particularly convenient for the public as the Post Office wicket hours are usually from 8 A.M. to 6 P.M.

A decline in public patronage of the Savings Bank was checked following the increase, effective November 1, 1956, in the interest allowed on deposits, so that this rate was brought closer to that being paid by other savings institutions. As a result, during the latter part of the year, deposits exceeded withdrawals and there was an increase in the number of accounts.

## **Money Orders**

Aside from its mail handling operations, the Canadian Postal Money Order system is the largest single activity, a total of \$845,647,439 passing through its facilities in the year. This compared to \$799,615,004 for the previous year, an increase of 5.75 percent.

That this is a service much used by the general public is shown by the fact that the total mentioned, represented the large number of 52,898,954 orders—an average of \$15.98 per order, as compared with 51,182,296 orders and an average of \$15.62 per order for the previous year. The number of orders increased by 3.35 percent.

Revenue from fees increased from \$6,989,409 to \$7,280,805, or 4.17 percent.

Applications for duplicates of 44,748 money orders were received during the year. In 26,288 cases it was found the original money order has been paid. Duplicates were issued in 18,460 cases.

The notched form of money order is sold at 8,136 accounting post offices. The denominative money order for domestic remittances under \$16.00 is sold at these offices and also at 2,798 non-accounting offices.

## **Procedure Control**

This activity is an assistance in the planning and simplification of financial procedures within the Financial Branch and in Post Offices.

New procedures for processing requisitions for postal values from postmasters were implemented in the postage stamp depots, and they eliminate posting numerous requisitions to stock registers and assure accuracy in the issue of values.

A punch card electronic calculator to eliminate manual and clerical operations in the Savings Bank and Salary Warrant Sections was ordered after studies revealed that substantial economies were possible.

The studies further revealed that an electronic computer may be practical in the money order system if printed character reading machines can be developed. Satisfactory progress is reported as being made by the manufacturers of electronic equipment in this direction.

## **Cash Accounts**

In excess of 500,000 bank drafts from postmasters were transferred to the Department of Finance, and approximately 98,000 claims for paid money orders by banks were processed.



Further extension of security transfer and night depository services contributed to greater control of cash losses in post office robberies.

Audit of 22,495 postage meters and 137 postage registers producing total postage of \$67,900,000 was carried out.

Unemployment Insurance meters in service totalled 825, with sales of \$18,700,000.

The number of lock boxes available for rental increased from 711,051 to 741,426. Revenue from this source amounted to \$1,700,000.

### **General Financial Activities**

Indicating the extent of the Department's financial dealings with other countries, purchase of foreign currencies in the settlement of international accounts was \$28,405,027.

Burglary losses reported during the year totalling \$307,000 were audited and certified.

The sum of \$21,316,561 was paid out in salary warrants to postmasters.



## APPENDIX

# STATEMENT OF REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease*
	1956-57	1957-58	
	\$ cts.	\$ cts.	\$ cts.
<b>POSTAGE RECEIPTS</b>			
From the sale of Postage Stamps.....	77,735,659 92	81,192,007 92	3,456,348 00
From the sale of Meter and Register Impressions.....	64,875,643 61	67,899,627 52	3,023,983 91
<i>In Cash:</i>			
First Class Matter.....	515,889 07	2,014,808 08	1,498,919 01
Second Class Matter (Newspapers and periodicals).....	6,332,598 95	6,256,368 93	76,230 02*
Third Class Matter (Books, catalogues, circulars, handbills and other printed matter)....	6,076,050 19	7,340,385 67	1,264,335 48
Fourth Class Matter (Catalogues mailed from zone centres at parcel post rates and samples of merchandise mailed under special permit)	241,298 09	195,554 26	45,743 83*
Total Postage Receipts.....	\$155,777,139 83	\$164,898,752 38	\$9,121,612 55
Rental of Post Office Boxes.....	1,625,173 71	1,708,629 19	83,455 48
Fees on Postal Money Orders.....	6,989,409 99	7,280,805 28	291,395 29
Commission collected from foreign countries on foreign money orders payable in Canada.....	1,126 22	1,563 70	437 48
Profit in exchange on postal transactions with other countries.....	227,615 91	216,189 91	11,426 00*
Credits on parcels received from foreign countries for delivery in Canada.....	1,443,436 91	1,619,532 52	176,095 61
Credits for the transit of foreign Air Mail in Canada and other transit charges.....	802,698 28	744,542 90	58,155 38*
Sale of Rural Mail Boxes.....	57,820 00	63,708 00	5,888 00
<i>Miscellaneous Revenue:</i>			
Payment received from the Unemployment Insurance Commission for distributing and selling Unemployment Insurance Stamps....	792,757 97	773,992 49	18,765 48*
Payment received from the Department of Labour for collecting Government Annuity Premiums.....	51,563 27	63,476 43	11,913 16
Sundry Revenue Items.....	60,734 67	62,185 11	1,450 44
TOTAL REVENUE RECEIPTS.....	\$167,829,476 76	\$177,433,377 91	\$9,603,901 15
<b>OTHER RECEIPTS:</b>			
Return on Investments.....	5,172 10	.....	5,172 10*
Proceeds from Sales.....	22,982 45	22,231 24	751 21*
Refund of previous years' Expenditure from Appropriation.....	18,117 66	17,496 50	121 16*
Miscellaneous.....	4,120 09	19,177 55	15,057 46
TOTAL OTHER RECEIPTS.....	\$50,392 30	\$59,405 29	\$9,012 99

# STATEMENT OF DISBURSEMENTS FROM REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease*
	1956-57	1957-58	
	\$ cts.	\$ cts.	\$ cts.
Salaries and Allowances paid to:			
Revenue Post Offices.....	8,724,187 35	8,963,683 95	239,496 60
Semi-Staff Post Offices.....	8,765,925 80	10,147,801 33	1,381,875 53
Sub Post Offices.....	2,002,087 69	2,205,075 45	202,987 76
Discount allowed vendors of postage supplies.....	58,510 56	56,822 83	1,687 73*
Compensation paid to messengers for special delivery of letters and parcels.....	361,436 94	374,556 01	13,119 07
Losses by fire, theft, forgery, etc.....	106,510 39	100,775 31	5,735 08*
Commission paid to foreign countries on Canadian money orders payable in those countries..	35,678 80	40,724 12	5,045 32
Charges on parcels mailed in Canada for delivery in foreign countries.....	1,306,047 30	1,612,277 15	306,229 85
Charges for the transit of Canadian mail forwarded through foreign countries and on Canadian Air Mail carried to or through foreign countries.....	578,777 78	948,944 60	370,166 82
Indemnities paid in respect of lost, insured and C.O.D. parcels, and registered articles.....	116,921 37	122,240 84	5,319 47
TOTAL DISBURSEMENTS FROM REVENUE RECEIPTS	\$22,056,083 98	\$24,572,901 59	\$2,516,817 61



# STATEMENT OF DISBURSEMENTS FROM PARLIAMENTARY APPROPRIATION—YEAR ENDED MARCH 31, 1958

Classification of Expenditure	Departmental Administration		Operations		Transportation		Financial Services		Total Expenditures	
	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.
Postmaster General's Salary and Motor Car Allowances.	13,222	16*							13,222	16
Miscellaneous Gratuities.	5,215	00*							5,215	00
Exchequer Court Awards.	2,374	18*							2,374	18
Salaries—Headquarters.	1,311,866	25			458,231	43	1,480,766	69	4,180,993	34
—Outside Services									82,273,280	71
Night Differential.									1,247,406	20
Overtime Payments to Operating Services.									4,107,242	23
Terminable Northern and Other Allowances.									71,983	72
Mileage Allowances.	1,087	59							622,149	52
Boot Allowances.									279,856	59
Professional and Special Services.									52,807	65
Security Transfer and Night Depository	8,550	79							17,608	45
Travel and Removal Expenses	59,464	39			8,962	28	17,608	45	381,996	86
Freight, Express and Cartage.	6,246	49					594	70	81,995	04
Telephones and Telegrams.	3,963	23			495	65	1,236	86	129,754	61
Publications of Departmental Reports and Other Material.	54,152	51					5,674	37	142,776	67
Exhibits, Advertising, Films, Broadcasting and Displays.	234,193	67							234,193	67
Office Stationery, Supplies and Equipment	54,981	85			9,779	38	35,012	56	602,181	01
Rental of Accounting Machines.							29,890	00	29,890	00
Mail Bags.									729,469	36
Uniforms and Letter Carrier Satchels.									686,598	68
Materials and Supplies.									566,495	51
Money Order Forms.							162,552	37	162,552	37
Manufacture of Postage Stamps and Postage Supplies							849,603	69	849,603	69
Postage Meter and Register Supplies							39,270	63	39,270	63
Rental of Storage Space.									2,807	08
Acquisition of Equipment.									1,647,829	33
Rural Mail Delivery Boxes.									210,463	31
Repairs and Upkeep of Equipment									182,357	45
Rental of Equipment	212	61							83,784	05
School Fees.									500	00
Canada's Share of Upkeep of International Bureaux.	14,206	20							14,206	20
Unemployment Insurance Contributions.									83,479	35
Expenses of the 1957 Congress of Universal Postal Union.									190,971	37
Sundries.	190,971	37							190,971	37
Mail Service by Railway.	5,774	95					57	14	10,982	09
Mail Service by Land including Rural Mail Delivery									14,957,592	07
Mail Service by Air.									23,115,793	01
Mail Service by Water.									12,699,966	91
									2,398,732	76
	\$1,966,483	24	\$94,670,957	33	\$54,060,074	80	\$2,622,267	46	\$153,319,782	83

\* Statutory.

# COMPARATIVE STATEMENT OF REVENUE AND DISBURSEMENTS FISCAL YEARS ENDED IN 1949 TO 1958

Fiscal Year Ended March 31st	Receipts		Disbursements				Deficit		Surplus	
	\$	cts.	From Receipts		From Parliamentary Appropriation		Total		\$	cts.
			\$	cts.	\$	cts.	\$	cts.		
1949.....	95,971,655	21	15,353,252	91	77,642,620	93	92,995,873	84	2,975,781	37
1950.....	101,294,305	22	16,765,649	61	82,639,741	21	99,405,390	82	1,888,914	40
1951.....	105,545,456	59	15,090,778	73	91,781,466	37	106,872,245	10	1,326,788	51
1952.....	122,278,760	89	17,656,552	74	97,973,263	29	115,629,816	03	6,648,944	86
1953.....	129,388,364	70	17,364,120	53	105,553,190	86	122,917,311	39	6,471,053	31
1954.....	129,889,325	88	18,781,841	94	113,581,752	52	132,363,594	46	2,474,268	58
1955.....	151,717,273	77	20,402,224	03	123,611,055	02	144,013,279	05	7,703,994	72
1956.....	158,568,356	49	20,871,734	67	127,421,739	45	148,293,474	12	10,274,882	37
1957.....	167,879,869	06	22,056,083	98	139,992,921	28	162,049,005	26	5,830,863	80
1958.....	177,492,783	20	24,572,901	59	153,319,782	83	177,892,684	42	399,901	22

Note: Lands, buildings and furnishings are provided and paid for by the Department of Public Works, and, consequently such charges are not included in the above disbursements.

Neither does the above statement reflect any revenue that might properly accrue to the Department through the Franking Privilege covering Parliamentary and Government mail or other special services provided by the Post Office Department for other Government Departments and agencies free of charge.

The Franking Privilege alone is estimated to involve a loss in excess of \$6,000,000.00 annually to the Department.

# GENERAL OPERATIONS OF THE MONEY ORDER SYSTEM IN CANADA FOR THE PAST 5 YEARS

Year	Number of Issuing Offices	Number of Money Orders Issued			Value of Money Orders Issued						Average Value per Order	Gross Revenue from Fees	Average Fee per Order		
		Payable in Canada	Payable in Other Countries	Total	Payable in Canada		Payable in Other Countries		Total						
					\$	cts.	\$	cts.		\$				cts.	
1954															
	N.....	7,916	12,611,249	1,839,986	14,451,235	462,010,496	83	19,564,826	10	481,575,322	93	33 32	2,652,600	83	18.4
	D.....	11,264	31,346,723	.....	31,346,723	194,505,334	07	.....	.....	194,505,334	07	6 20	3,448,955	77	11.0
	Total.....		43,957,972	1,839,986	45,797,958	656,515,830	90	19,564,826	10	676,080,657	00	14 76	6,101,556	60	13.3
1955															
	N.....	7,925	12,830,446	2,016,503	14,846,949	467,760,754	67	21,894,720	81	489,655,475	48	32 98	2,717,903	53	18.3
	D.....	11,200	32,056,010	.....	32,056,010	201,169,311	45	.....	.....	201,169,311	45	6 28	3,544,134	07	11.0
	Total.....		44,886,456	2,016,503	46,902,959	668,930,066	12	21,894,720	81	690,824,786	93	14 73	6,262,037	60	13.3
1956															
	N.....	8,004	13,708,812	1,941,109	15,649,921	493,872,312	82	21,700,086	33	515,572,399	15	32 94	2,878,239	60	18.4
	D.....	11,099	33,431,161	.....	33,431,161	210,358,333	64	.....	.....	210,358,333	64	6 29	3,705,027	49	11.1
	Total.....		47,139,973	1,941,109	49,081,082	704,230,646	46	21,700,086	33	725,930,732	79	14 79	6,583,267	09	13.4
1957															
	N.....	8,080	14,869,121	2,396,087	17,265,208	553,449,546	94	26,906,760	54	580,356,307	43	33 61	3,197,075	25	18.5
	D.....	11,022	33,917,088	.....	33,917,088	219,258,696	94	.....	.....	219,258,696	94	6 46	3,792,334	74	11.2
	Total.....		48,786,209	2,396,087	51,182,296	772,708,243	88	26,906,760	54	799,615,004	42	15 62	6,989,409	99	13.7
1958															
	N.....	8,136	16,038,348	2,316,811	18,355,159	594,162,454	96	27,314,146	74	621,476,601	70	33 86	3,406,605	62	18.6
	D.....	10,934	34,543,795	.....	34,543,795	224,170,837	64	.....	.....	224,170,837	64	6 49	3,874,199	66	11.2
	Total.....		50,582,143	2,316,811	52,898,954	818,333,292	60	27,314,146	74	845,647,439	34	15 99	7,280,805	28	13.8

N—Notched Money Orders

D—Denominative Money Orders

Name of Country	Issued in Canada			Payable in Canada		
	Number		Amount	Number		Amount
	1956-1957	1957-1958		1956-1957	1957-1958	
			\$ cts.			\$ cts.
(d) Antigua.....	240	333	2,897 16	3	3	18 91
Australia.....	2,256	2,386	27,283 84	3,247	3,741	28,058 95
Austria.....	2,590	3,671	66,344 65	123		1,542 58
Bahamas.....	285	231	5,686 48	82	97	1,249 84
Barbados.....	2,286	2,473	29,497 97	53		194 98
Belgium.....	4,596	4,885	98,901 43	2,594	3,483	99,187 18
Bermuda.....	693	567	10,390 46	338	314	7,066 50
British Guiana.....	1,643	1,743	27,080 35	21	21	6,433 57
British Honduras.....	79	99	1,652 94	35	41	239 38
Denmark.....	1,252	1,997	33,667 00	119	239	250 70
Fiji.....	44	68	965 84			649 75
France.....	18,983	18,801	348,852 14	1,127	1,319	33,503 40
German Federal Republic.....	36,260	42,579	834,295 05	2,140	4,291	70,734 09
Great Britain and Northern Ireland.....	391,428	440,272	4,713,195 85	8,816	9,189	56,657 15
Holland.....	23,002	25,625	322,641 89	985	1,445	17,484 63
Hong Kong.....	560	491	10,237 16	2		10 00
Ireland.....	31	34	317 87			
Republic of Ireland.....	8,347	8,751	141,649 08	385	527	2,220 19
Italy.....	26,220	26,687	921,690 31	107	222	3,399 80
Jamaica.....	8,834	11,154	138,127 14	23	27	398 50
Japan.....	9,522	10,648	252,259 46	14	6	97 30
Malaya.....	162	196	2,793 54	6	5	63 60
Mexico.....	516	502	9,372 13	35	28	509 88
Montserrat.....	380	368	2,939 20	2	6	4 25
New Zealand.....	1,262	1,352	15,222 44	260	296	15 58
Norway.....	1,584	1,742	45,372 46			4,014 70
Poland.....	292	546	5,811 97			
St. Kitts-Nevis.....	497	497	4,650 16			
Saar.....		96		18	24	96 91
Sweden.....	1,521	1,694	31,905 77			75 43
Switzerland.....	2,140	2,450	55,018 59	54	122	1,250 90
Trinidad.....	1,003	1,254	15,347 09	592	804	13,254 78
Union of South Africa.....	7,374	7,370	114,173 40			
United States.....	1,838,260	1,691,925	18,585,733 21	81	64	837 70
Virgin Islands.....	41	29	347 75	243,765	255,261	4,889,721 16
Windward Islands (comprising—Dominica, Grenada, St. Lucia and St. Vincent).....	809	1,043	12,397 51	32	56	855 26
Yugoslavia.....	1,095	2,352	23,042 40	35	43	406 93
	2,396,087	2,316,811	26,906,760 54	265,006	281,850	5,033,806 06
			27,314,146 74			5,394,567 86

(a) Fiji—Orders from Fiji to Canada advised via Great Britain since 19th September, 1932  
 (b) Great Britain and Northern Ireland—including British possessions and other countries using British Exchange facilities.  
 (c) Saar—New arrangement for Money Order transactions, effective 1st March, 1957  
 (d) Leeward Islands Defederated:—1st November, 1956

# OPERATIONS OF THE POST OFFICE SAVINGS BANK FOR THE TEN FISCAL YEARS ENDED MARCH 31, 1958

Year ending 31st March	Balance on deposit beginning of Fiscal Year	Amount of deposits	Interest Allowed to Depositors	Amount of Withdrawals	Balance on deposit end of Fiscal Year	Number of Accounts end of Fiscal Year	Average at credit of depositors end of Fiscal Year	Number of Post Office Savings Banks 31st March
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	
1949.....	36,226,060 22	12,843,954 23	710,012 33	12,038,638 16	37,741,388 62	269,161	140.20	1,557
1950.....	37,741,388 62	12,144,889 17	729,006 54	11,860,650 53	38,754,633 80	274,423	141.21	1,536
1951.....	38,754,633 80	10,368,265 52	733,893 07	12,194,871 84	37,661,920 55	278,595	135.18	1,531
1952.....	37,661,920 55	11,011,092 14	722,803 77	11,364,384 26	38,031,232 20	282,326	134.70	1,513
1953.....	38,031,232 20	11,521,742 93	741,954 38	10,972,699 97	39,322,229 54	287,468	136.79	1,512
1954.....	39,322,229 54	10,597,045 60	733,009 05	12,859,369 98	37,792,914 21	291,602	129.62	1,495
1955.....	37,792,914 21	9,402,227 13	713,078 63	11,127,553 80	36,780,666 17	293,840	125.17	1,457
1956.....	36,780,666 17	9,241,387 75	698,775 58	10,556,369 38	36,164,460 12	296,424	122.00	1,453
1957.....	36,164,460 12	9,663,773 62	753,112 07	10,682,846 82	35,918,498 99	298,700	120.25	1,440
1958.....	35,918,498 99	9,097,663 78	852,084 85	10,972,519 00	34,895,728 62	300,619	116.08	1,466



# STATEMENT OF POST OFFICE GUARANTEE FUND TRANSACTIONS

Assets on March 31st, 1957:

Cash on deposit in Post Office Savings Bank.....	\$ 16,723.76	
Bonds at cost adjusted for amortized premium and discount plus accrued interest.....	392,314.84	\$ 409,038.60

Additions:

Interest on bonds.....	11,078.80	
Interest on bank deposit.....	465.90	
Collections of previous years' payments.....	1,109.00	
		12,653.70
		421,692.30

Deductions:

Eighteen withdrawals to reimburse the Department for losses due to malfeasance on the part of Post Office employees.....		13,728.15
--	--	-----------

Assets on March 31st, 1958:

Cash on deposit in Post Office Savings Bank.....	16,474.25	
Bonds at cost adjusted for amortized premium and discount plus accrued interest.....	391,489.90	\$ 407,964.15

## NUMBER OF POST OFFICES

Statement showing the number of Post Offices in operation on March 31st, 1957, the number of Post Offices established and the number of Post Offices closed during the year from April 1st, 1957 to March 31st, 1958 and the number in operation on March 31st, 1958.

Province	Number of Post Offices in Operation on March 31, 1957	Number of Post Offices Established from April 1, 1957 to March 31, 1958	Number of Post Offices closed from April 1, 1957 to March 31, 1958	Number Post Offices in Operation on March 31, 1958
Newfoundland.....	640	5	4	641
Prince Edward Island.....	105	—	—	105
Nova Scotia.....	1117	2	23	1096
New Brunswick.....	703	1	28	676
Quebec.....	2435	22	44	2413
Ontario.....	2627	28	39	2616
Manitoba.....	817	2	9	810
Saskatchewan.....	1318	6	14	1310
Alberta.....	1124	10	22	1112
British Columbia.....	940	15	18	937
Yukon.....	16	—	—	16
Northwest Territories.....	37	—	1	36
TOTAL.....	11,879	91	202	11,768

Total number of Post Offices in operation on 31st March, 1957..... 11,879

Total number of Post Offices in operation on 31st March, 1958..... 11,768

Net decrease..... 111

Number of Post Offices established from 1st April, 1957 to 31st March, 1958..... 91

Number of Post Offices closed from 1st April, 1957 to 31st March, 1958..... 202

## INVESTIGATIONS ACTIVITIES, FISCAL YEARS 1956-1957 AND 1957-1958

Prosecutions	Convictions		Acquittals		Cases in Court		Totals	
	1956-7	1957-8	1956-7	1957-8	1956-7	1957-8	1956-7	1957-8
Burglaries.....	115	142	13	21	12	6	140	169
Receiving.....	6	13	3	5	3	5	12	23
Forgeries.....	24	22	1	3	6	1	31	26
Thefts of Mail.....	58	86	1	2	10	5	69	93
Delays of mail.....	19	7	—	—	—	—	19	7
Conversion of funds.....	28	14	2	1	2	3	32	18
Miscellaneous.....	22	17	7	1	3	1	32	19
Totals.....	272	301	27	33	36	21	335	355

Of the 355 prosecutions, 95 Postal employees were involved and 260 were non Post Office personnel.

# UNDELIVERABLE MAIL OFFICE TRANSACTIONS 1957-1958

## 1. INTERNATIONAL MAIL MATTER—

Of Foreign and Domestic origin undeliverable in Canada  
and Abroad

Foreign origin.....	2,432,539
Canadian origin.....	231,741

## 2. DOMESTIC MATTER—

Undeliverable as addressed.....	11,638,603
	<hr/>
	14,302,883

## 3. UNCLAIMED PARCELS—

Of Canadian origin, undeliverable in Canada and abroad.	51,443
---	--------

## 4. CASH STATEMENT—

(a) Cash found in undeliverable mail.....	\$49,361.92
(i) Cash refunded.....	33,233.69
(ii) Cash unclaimed.....	16,128.23
(b) Revenue collected on returned undeliverable mail....	\$27,041.47
(c) Proceeds of sale of unclaimed articles.....	\$ 6,973.66

ENQUIRIES DIVISION  
STATEMENT OF INDEMNITIES

Registered: Insurance: C.O.D. Services Fiscal Year  
1957-1958

1. *Registered*

a) Domestic mails

Number of indemnity claims paid.....	140	
Amount of indemnity paid.....		\$ 2,700.32
Paid from Departmental Funds...	\$1,952.49	
Indemnity recovered.....	747.83	

b) International mails

Number of indemnity claims paid.....	134	
Amount of indemnity paid.....		797.90
Paid from Departmental Funds...	\$360.55	
Indemnity recovered.....	437.35	

2. *Insured*

a) Domestic mails

Number of indemnity claims paid.....	8,791	
Amount of indemnity paid.....		101,675.92
Paid from Departmental Funds...	\$96,141.15	
Indemnity recovered.....	5,534.77	

b) International mails

Number of indemnity claims paid.....	84	
Amount of indemnity paid.....		1,628.77
Paid from Departmental Funds...	\$1,399.51	
Indemnity recovered.....	229.26	

3. *C.O.D.*

Number of indemnity claims paid.....	2,762	
Amount of indemnity paid.....		28,518.24
Paid from Departmental Funds...	\$22,380.80	
Indemnity recovered.....	6,137.44	

Total Indemnity paid.....	135,321.15	
Total Indemnity recovered.....	13,086.65	

Paid from Departmental Funds.....	\$122,234.50	
-----------------------------------	--------------	--

## RURAL DIRECTORIES TRANSACTIONS

Post Office Rural Directories sold and Distributed during the years ended  
March 31st. 1957 and 1958.

	1956-1957	1957-1958
Newfoundland.....	244	208
Prince Edward Island.....	110	95
Nova Scotia.....	398	336
New Brunswick.....	327	296
Quebec.....	1,955	1,581
Ontario.....	2,528	2,022
Manitoba.....	468	547
Saskatchewan.....	1,022	892
Alberta.....	1,241	1,178
British Columbia.....	691	596
Yukon.....	—	22
Summer Cottager.....	—	1
	8,984	7,774

### Revenue from Sale and Use of Rural Directories, Number Booklets and Letter Carrier Walk Lists.

	\$ cts.	\$ cts.
Rural Directories Sold.....	14,552 00	12,290 00
Mailings from Name Lists.....	735,827 80	740,940 21
Householder Mailings.....	3,457,927 40	4,268,899 59
	4,208,307 20	5,022,129 80

## PURCHASING AND STORES

The following expenditures were made during the fiscal year 1957-1958

	\$ cts.
Freight, Express and Cartage.....	81,695 04
Publication of Departmental Reports and Other Material.....	142,776 67
Truck Signs, Householder Leaflets and Other Material.....	34,081 12
Office Stationery Supplies and Equipment.....	602,181 01
Portion of Rental of Storage Space.....	1,602 08
Mail Bags, Uniforms and Other Material and Supplies.....	1,992,563 55
Portion of Acquisition of Equipment.....	1,375,131 73
Rural Mail Delivery Boxes.....	210,463 31
Repairs and Upkeep of Equipment.....	173,898 67
Rental of Equipment.....	83,784 05
Sundry Operating and Administrative Materials.....	661 98
Postage Meter and Postage Register Supplies.....	39,270 63
Total for the year 1957-58.....	4,738,109 84
Total for the year 1956-57.....	3,640,103 68

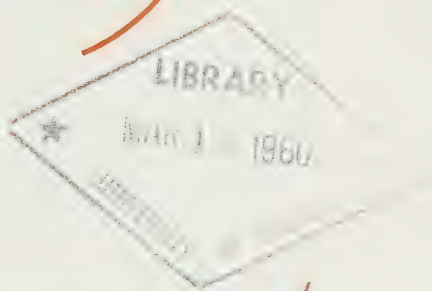








# 1959



# Report



OF THE  
**POSTMASTER  
GENERAL**  
FOR THE  
YEAR ENDED MARCH 31  
**1959**





Government  
Publication

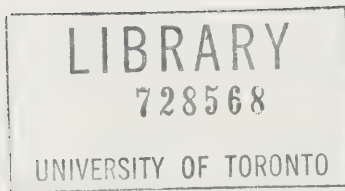
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# Report

of the  
**POSTMASTER  
GENERAL**  
for the  
Year Ended March 31  
**1959**

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6651  
112  
1958/59



THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1960

Price 25 cents

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CANADA

OFFICE OF THE POSTMASTER GENERAL  
CABINET DU MINISTRE DES POSTES

*To His Excellency Major General  
Georges P. Vanier, D.S.O., M.C., LL.B., LL.D.,  
Governor General and Commander-in-Chief of Canada.*

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour to forward to Your Excellency the accompanying report of the Post Office Department of Canada for the year ended March 31, 1959, which is respectfully submitted.

I have the honour to be, Sir,

Your Excellency's Most Obedient Servant,

*Wm. Hamilton*

*Postmaster General.*

Post Office Department  
Ottawa, December 1, 1959





DEPUTY POSTMASTER GENERAL  
SOUS-MINISTRE DES POSTES

Ottawa 4, Ontario

*To the Honourable William Hamilton, B.Sc.(Comm.), P.C., M.P.,  
Postmaster General of Canada.*

SIR:

I have the honour to submit the annual report of the Post Office Department of Canada for the fiscal year ended March 31, 1959.

It is gratifying to report that both total revenue and mail volume were the highest in the history of the Department.

Total revenue rose to \$183,380,508.67, and increase of \$5,887,725.47 over the previous fiscal year.

Mail volume increased by 80,000,000 pieces over the previous fiscal year to 3,802,000,000 pieces.

Although expenditures in 1958-59 increased by \$5,660,967, from \$177,892,684 to \$183,553,651, the fiscal year ended with a deficit of \$173,143 compared to \$399,901 the year before. These results indicate that a growing volume of mail was handled at a lower cost per unit.

The increased volume of mail, the growing population using postal services and the extension of improved facilities in many areas all contribute to the complexity of providing a continuing high standard of service.

With a view to reducing mail handling costs and improving the service still further a policy of wider mechanization has been established.

One step towards greater use of mechanical equipment was the completion of arrangements for the formation on April 1st, 1959, of a new Engineering and Development Branch, which will take over the engineering portion of the duties of the Operations Branch. Within this new Branch a Mechanization Development Division has been instituted.

During the year, special efforts were made to provide improved service to meet the rapid growth of suburban areas. Requirements for letter carrier delivery service have been relaxed under certain conditions and experiments have been started with the mailmobile, a mechanical aid to letter carriers.

Curbside mail receivers, by means of which motorists can deposit mail without leaving their vehicles, are being erected at appropriate locations in several cities.

The mechanical sale of postage stamps has continued to grow in popularity and more stamp vending machines are being installed in public places throughout Canada.

Numerous other progressive changes have been made which are briefly dealt with in this Report.

I desire to record my appreciation of the loyal and devoted service of the 50,000 full and part-time postal employees at Headquarters and in the Field.

Respectfully submitted,

*Deputy Postmaster General.*







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# *The Postal Service of Canada*

Each year the Post Office Department handles the equivalent of more than 200 pieces of mail for each of 18,000,000 Canadians. The mails travel millions of miles to bring postal service to thousands of communities throughout the country. At every step of the way the mails must be handled by efficient personnel using the most effective methods with the speed and accuracy Canadians expect and demand.

To provide an effective system of mail handling the postal service maintains a network of operating offices throughout the country administered and controlled by a relatively small headquarters staff at Ottawa. The headquarters organization is headed by the Deputy Postmaster General. Senior officers of the five main branches of the Department which share the responsibility for effective postal service report to him and he in turn reports to the Postmaster General.

These five branches are Administration, Financial, Operations, Personnel and Transportation.







## Administration Branch

This branch is responsible for the general administrative features of the postal service. It administers postal rate structures and regulations and cooperates with postal administrations of other countries.

The branch also furnishes investigation and legal services and provides supervision and control of departmental expenditures and office services.

### international mails

Canada is represented by a Vice-President of the Executive and Liaison Committee of the Universal Postal Union, a group organized to ensure the continuity of the work of the Union in accordance with its charter.

Canada was represented in Berne, Switzerland in May 1958 where a full meeting of this Committee was held and at The Hague, Netherlands in March 1959 at a meeting of the Air Mail Sub-Committee.

Arrangements were completed to have the changes in postal regulations and practice resulting from the implementation of the Ottawa Convention of the Universal Postal Union made effective.

The volume of air mail despatched from Canada to other countries continues to increase, particularly Printed Matter and Parcel Post.

Increased air services and changes in routing made possible an improvement in the despatch of air mail to trans-Atlantic destinations.

Further improvements were effected in the service for surface mails despatched to trans-Atlantic and trans-Pacific destinations as additional passenger and semi-passenger vessels became available.

## **domestic mails**

During the year arrangements were made for the extension of the postage meter system to an additional 42 post offices. This mechanical means of prepaying postage on all classes of mail is now in operation at 961 post offices. The permit system of prepaying postage on third class mail in cash was also extended to an additional 15 post offices. This system, which eliminates the necessity of the senders affixing postage stamps on each individual item of third class mail, is now in operation at 257 post offices.

A statement of the Undeliverable Mail Office transactions will be found in the appendix to this Report.

## **investigations**

The increase in the number of crimes throughout Canada during the fiscal year was reflected in the number of offences affecting the postal service.

In addition to minor irregularities normally investigated and disposed of at local level, 1,868 cases involving crimes and serious offences affecting the postal service were dealt with through headquarters Investigation Division and its field staff.

There were 360 burglaries of post offices during the year as compared to 337 for the previous year, an increase of 7%. Due to improved security, there was no loss in 117, or 33%, of these burglaries, and the average cash loss per burglary was less than in previous years.

Substantial recoveries were made of stolen money order forms and postage stamps and there were several significant prosecutions which served to curb the illegal disposal of these items.

Relative statistics will be found in the appendix to this Report.

## **comptroller**

A breakdown of Parliamentary appropriations on a sub-allotment basis is furnished senior officials of the Department who are responsible for expenditures in their respective branches. This breakdown is revised each year to meet ever-changing conditions and has established an effective basis upon which to control present expenditures and to determine future requirements.

The postmaster's budgetary system has been in effect since 1953 as a means of promoting cost consciousness in the postal service. During the past fiscal year, 79 post offices have reported regularly under the program.

A cost ascertainment program was re-established in the fiscal year 1955-56 on a triennial basis. During the fiscal year 1958-59 two tests were conducted at representative, selected offices of various sizes across Canada.

Apportionment data and ratios derived from these tests, as well as information from several other sources, were used to develop volumes, revenues and expenditures figures which reflect with reasonable accuracy the participation of each class of mail and each special service in the total revenues and expenditures of the Department.

During the year ended March 31, 1959, the measurement of mail volumes and labour hours worked, with the application of work standards in most instances, was extended to five sections in three large offices where the program was previously in effect. The program was also inaugurated in six sections of three other large offices.

Cost control is now in operation at 37 unit sections of post offices at Toronto, Montreal, Vancouver, Winnipeg, Ottawa, Hamilton, Edmonton, Calgary, Quebec, Saskatoon, Regina, Windsor and Peterborough providing valuable assistance in creating appropriate staffing arrangements, controlling the hours of part-time supplementary staffs, improving operational efficiencies and reducing labour processing costs in the post offices concerned.

## **purchasing and stores**

A statement covering expenditures of the Purchasing and Stores Division of the Department is given in the appendix to this Report.

## **statistical and office services**

The Statistical and Office Services Division is responsible for the provision of records management, stenographic and messenger services. It also distributes such printed matter as directives, manuals and notices as well as ordering, controlling and issuing office supplies and publications.

The Division also investigates the need for and controls the use of office machines throughout the postal service and effected savings of more than \$10,000 during the fiscal year.

## **public relations**

The Post Office Department must depend on the co-operation of the public to achieve the most efficient operation. To obtain this co-operation and to keep the public informed several advertising and public relations campaigns are conducted during the year.

One of the most significant of these is the "Mail Early at Christmas" program. Reports submitted by postmasters show that of all articles posted during the Christmas period in 1958 approximately 85% were posted before the suggested deadline. This enabled the post office to complete Christmas mail delivery on time in almost all cases.

A major contribution to the success of the campaign was the enlisting of public co-operation in the preparation of mail through the distribution of "Local" and "Out-of-Town" labels to patrons of letter carrier delivery offices. Leaflets advertising mailing deadlines were distributed to nearly all mail patrons and all public information media were utilized to publicize the campaign.

In addition to the Christmas campaign a full-scale public relations program was carried out during the year to inform the public on mail services and to assist patrons to use the mails more effectively.

Public relations officers in the field organized meetings with business officials and took advantage of every opportunity to assist patrons in solving mailing problems. Visits to post offices by school groups and other organizations were also arranged by field officials.

Throughout the year displays and post offices were set up at exhibitions and fairs throughout the country both as a service to the public and as an advertising medium for the Post Office Department.

## **rural directories**

The Rural Directories Section compiles and distributes directories listing names, addresses and occupations of all householders served by Rural Post Offices and Rural Routes. During the last fiscal year, mailings from the sale and use of 7,562 directories produced a revenue of \$5,750,198.66.





## Financial Branch

The postal service of Canada provides two main forms of financial service for the convenience of the public, the savings bank system and the money order system. Postal savings bank facilities are available at 1,500 of the 8,000 accounting post offices throughout the country and money order service at approximately 11,000 offices.

In addition to these, a complex revenue accounting and control system serves the internal needs of the Department and the postal service generally. The Financial Branch supervises the cash account audit, money order, postage stamps and philatelic services, procedure control and the savings bank.

### **cash account audit**

More than 540,000 bank drafts from postmasters were audited and transferred to the Department of Finance during the fiscal year and approximately 98,000 claims by banks for paid money orders were processed.

Further extension of security transfer and night depository services contributed to diminution of cash losses in post office robberies.

Some cash account audit processes have been placed on a punch-card basis with resulting economies.

Audit was carried out of 24,841 postage meters and 121 postage registers producing total postage of \$71,895,000 and of 760 unemployment insurance meters in service with sales of \$15,790,000.

The number of lock boxes available for rental increased from 741,426 to 784,520. Revenue from this source amounted to \$1,798,000.

### **general financial**

Revenue and expenditures accounted for by the Division again increased.



The total cost of foreign currencies purchased during the year in settlement of international mail accounts and money order services was \$28,061,453.

Burglary losses verified and written off during the year totalled \$138,570 compared with \$100,775 in the previous fiscal year. Amounts not accounted for will be recovered from the post office guarantee fund.

The salary warrant section issued payments amounting to \$21,781,055 a slight increase over the previous year's total of \$21,316,561.

## **money orders**

The number of money orders issued during the year was 53,746,050, an increase of 1.6% over the previous year when 52,898,954 were issued. The total value of money orders issued increased from \$845,647,439 to \$853,443,891 or .92%. The average value per money order was \$15.88 compared with \$15.99 in the previous year.

The gross revenue from money order fees increased from \$7,280,805 to \$7,390,023, or 1.5%. Applications for duplicates of 44,286 money orders were received during the year. In 26,523 cases it was found that the original money order had been paid. Duplicates were issued in 17,763 cases.

Notched money orders were sold at 8,223 accounting post offices. The denominative money order for domestic remittances under \$16 is sold at these offices and also at 2,600 non-accounting post offices.

The number of money orders issued in Canada for payment in foreign countries during the year was 2,380,760, an increase of 2.76% over the previous year when 2,316,811 were issued. The total value of these money orders rose from \$27,314,147 to \$27,470,837, an increase of .57%.

Foreign remittances payable in Canada decreased in number from 281,850 to 264,493, or 6.16%, and in value from \$5,394,568 to \$5,026,970, or 6.81%.

The United States, United Kingdom and certain Commonwealth countries accept Canadian money orders on a domestic basis. It is anticipated that the use of the domestic system will be extended to other countries.

## **postage stamps**

The popularity of the services provided for philatelists is reflected in the increased number of orders for collector's postage stamps as well as by the large increase in the use of the deposit account service of the Philatelic Section.

Seven commemorative stamps were issued during the fiscal year, all five cent denomination.

Date	Subject	Colours	Quantity
May 8, 1958	Centennial of the Province of British Columbia	Green	20,000,000
June 4, 1958	Explorer, Sieur de la Vérendrye	Blue	20,000,000
June 26, 1958	350th Anniversary of the Founding of Quebec by Samuel de Champlain	Brown and Green	20,000,000
July 3, 1958	National Health	Purple	25,000,000
Sept. 10, 1958	Centennial of Oil Development	Green and Red	25,000,000
Oct. 2, 1958	Bi-centennial of the First Elected Assembly in Canada	Dark Blue	25,000,000
Feb. 23, 1959	Golden Anniversary of Flight in Canada	Blue and Black	30,000,000

The designers of these stamps were Canadian artists Jack Harman of Vancouver; Gerald Trottier, Ottawa; A. L. Pollock, Toronto; Carl Dair, Toronto; and staff artists of The Canadian Bank Note Co., Ltd., Ottawa.

The three two-coloured commemorative issues contributed to the improved popularity of Canadian postage stamps with the public generally as well as with philatelists.

**philatelic revenues**

The following table gives the revenues received from philatelic orders during the past five years.

Year	Number of Orders	Revenue
1954-55.....	24,505	\$295,169.00
1955-56.....	30,254	307,042.00
1956-57.....	24,780	315,130.00
1957-58.....	35,488	381,831.32
1958-59.....	48,786	388,238.37

## **procedure control**

This Division provided assistance during the year in the planning and simplification of financial procedures within the Financial Branch and in post offices.

A punch card electronic calculator to reduce manual and clerical operations in the savings bank division and salary warrant section has been installed.

Forecasted economies in the savings bank have been achieved. Planning for the possible use of an electronic calculator for the issue of salary warrants is proceeding and this may permit "twice-a-month" payments, greatly desired by Postmasters.

Progress is being made in the development of an inexpensive money order imprinter for use at money order wickets. This device would improve service to the public by reducing the time involved in preparing a money order and should reduce clerical time required at post offices in the preparation of accounts.

New procedures for more rapid clearing of bank drafts for post office deposits have been implemented in conjunction with the Bank of Canada and the Department of Finance. The time was reduced between the deposit of funds by postmasters and the ultimate clearance of bank drafts between the chartered banks and the Bank of Canada.

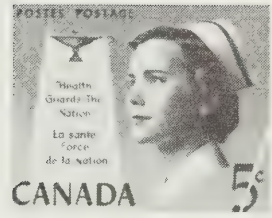
A trial program for processing requisitions for postage stamps of various denominations from postmasters of non-accounting post offices has been instituted. Under this method, many postmasters will requisition postal supplies less frequently and there will be greater security for public funds.

To take full advantage of the educational and publicity value of subjects depicted on commemorative postage stamps, and to ensure that they are made available to the public everywhere across Canada, these stamps are now issued to all accounting Post Offices without the necessity of the postmasters requisitioning them.

## **post office savings bank**

The Post Office Savings Bank, established in 1867, is a service operated by the Post Office Department for the promotion of thrift. Personal, joint, trust and other types of accounts are included in the service, which is available at 1,500 of the 8,000 accounting post offices throughout Canada.

During the fiscal year the number of depositors has again shown a slight increase although the balance on deposit has continued to decline.



## Operations Branch

The basic purpose of the Post Office Department is to handle mail between Canadians and their correspondents at home and abroad. Directly concerned with providing efficient service to the public, through thousands of post offices across Canada, is the Operations Branch.

### enquiries

Each complaint of non-receipt of mail or delay in delivery is thoroughly investigated by the Post Office Department.

Many cases are settled before reaching headquarters but they are nonetheless examined there to ensure that a thorough enquiry is made in each case and the complainant properly satisfied.

The recording and analysis of enquiries have resulted in some arrests and convictions. There were 404,265 enquiries of all kinds received during the year compared with 414,322 the previous year, a reduction of 10,057.

There were 10,950 enquiries respecting non-insured parcels as compared with 11,724 the previous year, a decrease of 774.

Of the total enquiries received, 27,887 concerned delayed mail in comparison with 26,595 the previous year, an increase of 1,292.

It will be noted from the statement of enquiries appended to this Report that 12,670 claims, with total indemnities of \$140,388.57, were paid from departmental funds during the fiscal year as compared with 11,911 claims and indemnities of \$122,234.50 paid in the previous year.

Considering the increasing population of Canada, the increased volume of mail and the comparative cost of goods, the number of enquiries received and the number of claims adjusted and indemnities paid is considered reasonable.



The Department is striving to improve the service by close analysis of enquiries, review of district files and by checks on sortation, missendings and delays.

## **postal services**

During the year letter carrier delivery service was inaugurated at Dawson Creek, B.C. and Ste. Genevieve, P.Q. This necessitated the establishment of 12 walks to serve the 5,730 calls involved.

In addition 280 letter carrier walks were placed in operation to enable extension of service to 114,847 new calls.

In accordance with the Department's policy of providing Canadians with the best possible postal service and in recognition of new situations which have developed in suburban areas throughout the country the regulations restricting letter carrier delivery across vacant land have been eased. These adjustments will be felt particularly in the fringe areas of larger cities where many subdivisions have been built beyond the former boundaries of letter carrier delivery.

This change has given letter carrier service for the first time to thousands of families throughout Canada. An additional 5,800 families have been provided during the fiscal year with group mail box service. This service is instituted for the convenience of patrons residing in districts where the development is still too sparse to warrant letter carrier delivery or where walking conditions are unsatisfactory.

In addition to these services 1,030 postage stamp vending machines were placed in operation, bringing the total number of machines in operation to 1,250 located in 626 communities. A reserve of 280 machines is available to meet anticipated requests and provision has been made to purchase 500 more.

## **procedures and examinations**

A review of standard mail handling equipment has been completed resulting in the development of several improvements.

A 25-separation sorting case has been developed for the use of smaller post offices where space does not permit the use of larger standard cases.

A new manual of operating procedures in loose leaf form has been issued for the guidance of postmasters.



Improvements have been made to allow special delivery items to be delivered directly to patrons who receive their other mail at group boxes.

Further improvements in the handling of registered mail have been developed.

Continued progress is being made in streamlining departmental examinations so that they are more in line with the various duties performed. During the fiscal year written examinations totalled 11,988 and distribution examinations totalled 8,305, an overall increase of 638 over the previous year.

## **revenue post offices**

An important achievement during the fiscal year has been the establishment of the "call for" service at sub post offices. This is an arrangement whereby patrons who are served by letter carrier or group box delivery in suburban areas may now call at a nearby sub post office to pick up registered articles, short paid items, C.O.D. items and articles too large to be left at the time of delivery when there is no one at home.

During the fiscal year 52 post offices were reclassified from revenue post offices to semi-staff.

## **time study and methods**

During the fiscal year the time study program was extended to the Hamilton, Calgary and Halifax post offices. This brings to nine the number of post offices where the program is in operation. Since its inception substantial savings and improvements in services have been made.

Time study coupled with work measurement have served to point out areas for improvement in methods, staffing and scheduling of shifts.

## **mechanical engineering**

An important achievement during the fiscal year was the completion of the new post office building at Winnipeg.

Newly introduced in the Canadian postal service and located in the new building are electro-mechanical parcel sorting machines which enable the staff to sort parcels by using a button keyboard. A similar installation was previously made at the new Vancouver post office.

Several improvements were made in the mechanical handling of mail at Calgary, Saskatoon, St. John's, Montreal and Newcastle, N.B.

## buildings and accommodation division

The program for the modernization and improvement of post office premises throughout the country has continued. Through the Department of Public Works, federal buildings were erected or were in course of construction in some 65 locations at the end of the fiscal year.

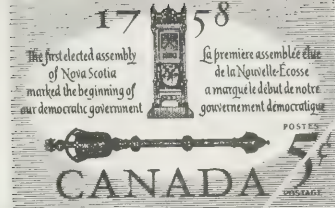
	New Buildings		Additions to Buildings	
	Completed	Under Construction	Completed	Under Construction
Newfoundland.....	7	4	1	1
Prince Edward Island..	1	.....	.....	.....
Nova Scotia.....	4	10	.....	.....
New Brunswick.....	3	6	.....	.....
Quebec.....	14	18	4	2
Ontario.....	16	17	3	4
Manitoba.....	2	8	1	1
Saskatchewan.....	7	5	1	.....
Alberta.....	4	8	1	.....
British Columbia.....	7	4	1	.....
Yukon Territory.....	.....	.....	.....	.....
North West Territories..	.....	1	.....	.....
TOTALS.....	65	81	12	8

In addition to the above there were 89 projects in the planning stage at the close of the fiscal year.

In regard to post offices in rented accommodation 68 new leases were arranged for, 204 leases were renewed and 43 premises had major alterations carried out to improve the efficiency of the office.

### EQUIPMENT IN USE

Type	Quantity	Replacement Value
Standard.....	85,021	\$4,651,028.00
Non-standard Equipment.....	13,026	568,240.00
Miscellaneous Mail Handling Equipment and Plant Machines.....	54,899	2,911,998.00
TOTALS.....	152,946	\$8,131,266.00



## Personnel Branch

This branch assists the other branches in staff hiring and practices.

The Post Office Department will always have a wide variety of staff situations among its 50,000 full—and part-time employees working in and from 12,000 post offices.

To help meet these situations the Personnel Branch works in several major areas:

- 1) It maintains necessary staff records and provides information to supervisors and to all employees concerning salaries, attendance, medical-hospital insurance, pensions and the like.

During the year, further substantial progress was made in decentralizing authority for certain staff functions.

- 2) It co-ordinates a well-rounded management development program through periodic supervisory appraisal, job rotation and special training assignments at other locations. Emphasis has continued to be given to this program during the fiscal year.

A booklet describing the Department's personnel program was prepared for the information of all its management staff. This booklet was also widely acclaimed outside the postal service.

The third biennial appraisal of 2,500 supervisory staff has been conducted during the fiscal year.

- 3) It conducts training classes for supervisors in relation to their interest in human relations and for all employees in relation to specific skills such as
  - (a) classes in letter writing for supervisors and correspondence clerks at headquarters and in district offices;

- (b) classes in report writing for supervisors in large post offices, and
  - (c) a home-study correspondence course in writing for postmasters and postal clerks in smaller centres.
- 4) It co-ordinates departmental relations with staff associations. Most of the Department's employees belong to one of three associations, which maintain their own officers who discuss with the Department problems regarding individual employees.



## Transportation Branch

Postal service on the present scale would be impossible were it not for the vast network of transportation services which move the mails. Responsibility for the efficient transportation of mails lies with the Transportation Branch.

The branch is responsible for accounts verification, air mail service, contract assessments and tenders, highway and city services, land mail service and railway mail service.

### air mail service

During the fiscal year the volume of mail carried by air within Canada and between Canada and the United States continued to increase. Trans-Canada Air Lines increased their frequency of services in certain areas and advantage was taken of this whenever an advance in delivery would result. Canadian Pacific Airlines and other air transport companies also provided service to the Department.

During the year five new air mail services were established, as follows:

- (a) ST. JOHN'S—GOOSE AIRPORT.  
Providing direct service between two important centers in Newfoundland and Labrador.
- (b) CHURCHILL, MAN.—CORAL HARBOUR, N.W.T.  
Providing service to an isolated area in the Canadian North which is increasing in importance.
- (c) PRINCE ALBERT, SASK.—URANIUM CITY, SASK.  
Providing a direct service to the important mining area of Uranium City and Eldorado.
- (d) VAL D'OR, P.Q.—CHIBOUGAMAU, P.Q.  
Providing supplementary air mail service to the important mining areas of Chibougamau and Chapais.
- (e) DAWSON, Y.T.—OLD CROW, Y.T.  
Providing service previously handled via Alaska.



Surveys were conducted to ascertain the need for additional air mail services within Canada and considerable progress was made in the co-ordination of air, highway and city services in order to achieve the best possible service with available facilities.

## AIR MAIL STATISTICS

Service	1957-58		1958-59	
	Mail Carried	Cost	Mail Carried	Cost
		\$		\$
TCA Domestic ..	8,196,406 ton miles	6,721,133	8,552,652 ton miles	6,830,000
International ..	1,099,359 pounds	3,020,615	1,160,150 pounds	3,067,423
CPA Domestic...	742,943 ton miles	1,408,247	743,937 ton miles	1,311,167
International ..	160,438 pounds	507,519	218,850 pounds	731,914
Others.....	353,714 ton miles	1,042,453	441,634 ton miles	1,115,309
TOTALS.....		12,699,967		13,055,813

### city services

Canadian urban areas continue to expand rapidly, imposing increasing demands on city mail transportation services. Mail volumes, particularly parcel post, have continued to increase. Continued improvements are being made in the standards of service and every effort is being made to co-ordinate the various types of service.

Cost of mail transportation facilities in cities and towns during the fiscal year was \$8,618,425. This included the delivery of 28,174,784 parcels and 7,223,740 letter carrier bundles by motor vehicle at an average cost of 10.9 cents per item as compared with a total of 32,543,599 articles conveyed at an average cost of 10.4 cents per item for the 1957-58 fiscal year.

## CITY SERVICES STATISTICS

Service	1957-58		1958-59	
	No. of Services	Cost	No. of Services	Cost
		\$		\$
Parcel Post Delivery..	151	3,383,146	148	3,873,591
Street Collections.....	286	1,932,521	298	1,983,428
Conveyance of Letter Carriers.....	129	627,694	144	708,181
Other City Services...	239	1,778,833	216	2,053,225
TOTALS.....	805	7,722,194	806	8,618,425

### highway services

The network of highway mail services has continued to grow and improve during the year.

Night operations continue to expand because of the improved and more efficient service it has been possible to give by this method. The aim of this service is to provide, wherever feasible, an overnight exchange of mails between offices on the route and the centre with which they conduct most of their postal business.

Total costs of operation continue to rise due to the increased volume of mail to be conveyed, the requirement for larger and more expensive equipment and increases in labour costs.

## HIGHWAY SERVICES STATISTICS

—	No. of Services	Cost	Increase
		\$	\$
1957-58.....	307	2,533,720	.....
1958-59.....	330	3,228,412	694,692

**land mail service—rural routes, side and stage services**

During the fiscal year there was a net increase of 45 rural routes. There are now 5,521 such services across the country serving approximately 601,500 householders. In addition 865 extensions were authorized to existing rural routes.

The number of side and stage services continued to decline mainly because of changes from rail to highway services. The number of side and stage services was reduced by 478 during the year.

Rural mail delivery in group box units is expanding considerably. Group box installations increased by 18% during the year to 4,813 units serving approximately 48,000 householders.

Requirement for daily rural mail delivery service was lowered from an average of four to three patrons per mile. This change resulted in the inauguration of rural mail delivery service in several areas and in an increase in the frequency of service in others.

**CLASSIFICATION AND COST OF  
LAND MAIL SERVICES**

Class	No. of Services		Cost 1957-58	Cost 1958-59
	1957-58	1958-59		
			\$	\$
Rural Routes.....	5,476	5,521	9,164,085	9,335,627
Side Services.....	3,352	2,927	1,737,630	1,730,186
Stage Services.....	2,143	2,090	2,158,161	2,043,617
TOTALS.....	10,971	10,538	13,059,876	13,109,430

**railway mail service**

One of the important factors in the transportation of mail is the railway post office which eliminates what would otherwise be dead travelling time in the transport of mail matter.

Railway post offices are in operation on principal trains throughout Canada. Railway mail clerks function in the same manner as do sorters in regular post offices. Closely related to railway post offices are baggage car services in which direct mails, prepared by post offices or railway post offices, are exchanged at points on the route.

During the fiscal year motor vehicle services superseded a number of railway post offices and baggage car services, due to changes in railway equipment, schedules or curtailment of train service. The policy of reviewing transportation of mail by train in order to provide more efficient service was continued and a better service and more economical use of authorized space resulted. Along with continued development of mail transportation, arrangements were completed with the Canadian National Railways to convey surface mail on their "Super Continental" Trains 1 and 2 between Toronto, Winnipeg, Saskatoon, Edmonton and Vancouver. The use of these trains, with a running time of 67 hours from Toronto to Vancouver, was a progressive step resulting in faster mail delivery. This service went into operation in December 1958.

### RAILWAY MAIL STATISTICS

—	1957-58	1958-59
Railway Post Offices in operation . . .	108	96
Baggage Car Services . . . . .	506	460
Number of Railway Mail Clerks . . . .	908	792
Miles travelled by Railway Mail Clerks . . . . .	41,367,253	37,033,339
Cost of Mail Service by Railway . . . .	\$14,957,592	\$15,057,492

### water mail services

Mail conveyance by water forms an important part of mail transportation in Canada and overseas. Arrangements with steamship operators for the carriage of mails, at the same rate as applied to commodity freight based on the cubic measurement of mail, have been made.

## WATER MAIL SERVICES

	1957-58	1958-59
Number of Domestic Water Routes....	71	55
Cost of Domestic Water Service.....	969,399	1,055,113
Cost of International Service.....	1,373,922	1,404,745
Top-Wharfage.....	55,501	55,082
Total Cost of Mail Service by Water...	\$2,398,732	\$2,514,940

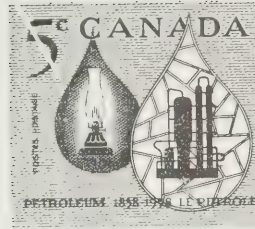
### eastern arctic

With the rapid development of Northern Canada, postal service to the Arctic has become a matter of increasing importance.

Post Offices and numerous non-post office points served by the Eastern Arctic Patrol received a total of 34,933 pounds of mail, representing 643 despatches excluding mail from Montreal to Frobisher Bay, N.W.T. and Fort Chimo, P.Q.

Most of the mail destined for Eastern Arctic points was carried by air media including R.C.A.F. and private courtesy flights, air stage services and R.C.M.P. patrols. The annual Christmas "drops" performed by the R.C.A.F. are particularly popular: 7,536 pounds of mail were delivered by this service in 1958.





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## STATEMENT OF REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease*
	1957-58	1958-59	
	\$	\$	\$
Postage Receipts			
From the sale of Postage Stamps.....	81,192,007.92	82,008,654.85	816,646.93
From the sale of Meter and Register Impressions..	67,899,627.52	71,985,008.62	4,085,381.10
In Cash:			
First Class Matter.....	2,014,808.08	2,103,020.79	88,212.71
Second Class Matter (newspapers and periodicals)..	6,256,368.93	6,189,125.44	67,243.49*
Third Class Matter (books, catalogues, circulars, hand-bills and other printed matter).....	7,340,385.67	7,407,938.42	67,552.75
Fourth Class Matter (catalogues mailed from zone centres at parcel post rates and samples of mer- chandise mailed under special permit).....	195,554.26	234,986.65	39,432.39
TOTAL POSTAGE RECEIPTS.....	164,898,752.38	169,928,734.77	5,029,982.39
Rental of Post Office Boxes.....	1,708,629.19	1,798,092.00	89,462.81
Fees on Postal Money Orders.....	7,280,805.28	7,390,023.14	109,217.86
Commission collected from foreign countries on foreign money orders payable in Canada.....	1,563.70	2,137.85	574.15
Profit in exchange on postal transactions with other countries.....	216,189.91	192,958.37	23,231.54*
Credits on parcels received from foreign countries for delivery in Canada.....	1,619,532.52	1,741,681.09	122,148.57
Credits for the transit of foreign Air Mail in Canada and other transit charges.....	744,542.90	1,290,195.89	545,652.99
Sale of Rural Mail Boxes.....	63,708.00	73,736.00	10,028.00
Miscellaneous Revenue:			
Payment received from the Unemployment Insur- ance Commission for distributing and selling Unemployment Insurance Stamps.....	773,992.49	743,981.49	30,011.00*
Payment received from the Department of Labour for collecting Government Annuity Premiums...	63,476.43	71,852.94	8,376.51
Sundry Revenue Items.....	62,185.11	57,582.80	4,602.31*
TOTAL REVENUE RECEIPTS.....	177,433,377.91	183,290,976.34	5,857,598.43
Other Receipts			
Return on Investments.....		10,953.62	10,953.62
Proceeds from Sales.....	22,231.24	29,081.60	6,850.36
Refund of previous years' Expenditure from Appropriation.....	17,996.50	44,597.01	26,600.51
Miscellaneous.....	19,177.55	4,900.10	14,277.45*
TOTAL OTHER RECEIPTS.....	59,405.29	89,532.33	30,127.04

STATEMENT OF DISBURSEMENTS FROM REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease*
	1957-58	1958-59	
	\$	\$	\$
Salaries and Allowances paid to:			
Revenue Post Offices.....	8,963,683.95	8,856,473.33	107,210.62*
Semi-Staff Post Offices.....	10,147,801.33	10,556,031.83	408,230.50
Sub Post Offices.....	2,205,075.45	2,368,549.88	163,474.43
Discount allowed vendors of postage supplies.....	56,822.83	51,250.50	5,572.33*
Compensation paid to messengers for special delivery of letters and parcels.....	374,556.01	479,508.65	104,952.64
Losses by fire, theft, forgery, etc.....	100,775.31	138,570.79	37,795.48
Commissions paid to foreign countries on Canadian money orders payable in those countries.....	40,724.12	36,294.00	4,430.12*
Charges on parcels mailed in Canada for delivery in foreign countries.....	1,612,277.15	1,947,767.50	335,490.35
Charges for the transit of Canadian mail forwarded through foreign countries and on Canadian Air Mail carried to or through foreign countries.....	948,944.60	1,175,337.85	226,393.25
Indemnities in respect to lost, insured and C.O.D. Parcels and registered articles.....	122,240.84	140,388.57	18,147.73
TOTAL DISBURSEMENTS FROM REVENUE RECEIPTS..	24,572,901.59	25,750,172.90	1,177,271.31

STATEMENT OF DISBURSEMENTS FROM PARLIAMENTARY APPROPRIATION

Classification of Expenditure		Administration	Operations	Transportation	Financial Services	Total
		\$	\$	\$	\$	\$
Postmaster General Salary and Motor Car Allowance.....		17,000.00*				17,000.00
Miscellaneous Gratuities.....		1,150.00*				1,150.00
Salaries—Headquarters.....		1,295,508.71				4,316,024.20
—Outside Services.....				463,338.95	1,534,343.96	85,200,571.35
Night Differential.....						1,268,763.57
Overtime Payments to Operating Services.....						4,365,807.45
Terminable, Northern and Other Allowances.....						61,313.32
Mileage Allowances.....		1,060.00	60,253.32			555,497.63
Boot Allowances.....			555,497.63			299,183.43
Professional and Special Services.....		12,916.65	299,183.43			12,916.65
Security Transfer and Night Depository.....					18,642.12	18,642.12
Travel and Removal Expenses.....		41,862.66		8,058.55	1,440.31	367,821.73
Freight, Express and Cartage.....		5,277.98	316,460.21			85,516.84
Telephones and Telegrams.....		4,216.85	80,238.86	363.69	857.27	140,553.38
Publication of Departmental Reports and Other Material.....		68,412.89	135,115.57		4,702.49	146,394.22
Exhibits, Advertising, Films, Broadcasting and Displays.....		191,874.93	73,278.84			191,874.93
Office Stationery Supplies and Equipment.....		49,575.70	542,486.93	8,187.75	48,749.48	648,999.86
Rental of Accounting Machines.....					49,374.49	49,374.49
Mail Bags.....			892,106.42			892,106.42
Uniforms and Letter Carrier Satchels.....			416,850.78			416,850.78
Materials and Supplies.....			537,350.36			537,350.36
Money Order Forms.....						133,482.33
Manufacture of Postage Stamps and Postage Supplies.....					133,482.33	927,438.61
Postage Meter and Register Supplies.....					42,998.33	42,998.33
Rentals of Storage Space.....			3,513.41			3,513.41
Acquisition of Equipment.....			1,056,157.96			1,056,157.96
Rural Mail Delivery Boxes.....				66,206.40		66,206.40
Repairs and Upkeep of Equipment.....		357.02	186,033.42			186,390.44
Rentals of Equipment.....			86,701.95			86,701.95
School Fees.....			8,882.51			8,882.51
Canada's Share of Upkeep of International Bureaux.....		12,531.06				12,531.06
Membership in Management Association.....		58.20				58.20
Unemployment Insurance Contributions.....			88,802.67			88,802.67
Sundries.....		1,891.45	6,046.25	20.00	48.43	8,006.13
Mail Service by Railway.....				15,057,492.11		15,057,492.11
Mail Service by Land including Rural Mail Delivery.....				24,960,350.28		24,960,350.28
Mail Service by Air.....				13,055,812.81		13,055,812.81
Mail Service by Water.....				2,514,940.48		2,514,940.48
TOTALS.....		1,703,694.10	97,202,935.47	56,134,771.02	2,762,077.82	157,803,478.41

\*Statutory



# COMPARATIVE STATEMENT OF REVENUE AND DISBURSEMENTS

Fiscal Years Ended in 1950 to 1959

Fiscal Year Ended March 31st	Receipts \$	Disbursements			Deficit \$	Surplus \$
		From Receipts \$	From Parliamentary Appropriation \$	Total \$		
1950.....	101,294,305.22	16,765,649.61	82,639,741.21	99,405,390.82	.....	1,888,914.40
1951.....	105,545,456.59	15,090,778.73	91,781,466.37	106,872,245.10	1,326,788.51	.....
1952.....	122,278,760.89	17,656,552.74	97,973,263.29	115,629,816.03	.....	6,648,944.86
1953.....	129,388,364.70	17,364,120.53	105,553,190.86	122,917,311.39	.....	6,471,053.31
1954.....	129,889,325.88	18,781,841.94	113,581,752.52	132,363,594.46	2,474,268.58	.....
1955.....	151,717,273.77	20,402,224.03	123,611,055.02	144,013,279.05	.....	7,703,994.72
1956.....	158,568,356.49	20,871,734.67	127,421,739.45	148,293,474.12	.....	10,274,882.37
1957.....	167,879,869.06	22,056,083.98	139,992,921.28	162,049,005.26	399,901.22	5,830,863.80
1958.....	177,492,783.20	24,572,901.59	153,319,782.83	177,892,684.42	173,142.64	.....
1959.....	183,380,508.67	25,750,172.90	157,803,478.41	183,553,651.31	.....	.....

NOTE: Lands, buildings and furnishings are provided and paid for by the Department of Public Works, and, consequently such charges are not included in the above disbursements.

Neither does the above statement reflect any revenue that might properly accrue to the Department through the Franking Privilege covering Parliamentary and Government mail or other special services provided by the Post Office Department for other Government Departments and agencies free of charge.

The Franking Privilege alone is estimated to involve a loss in excess of \$6,250,000.00 annually to the Department.

GENERAL OPERATIONS OF THE MONEY ORDER SYSTEM IN CANADA FOR THE PAST 5 YEARS

Year	Number of Issuing Offices	Number of Money Orders Issued			Value of Money Orders Issued			Average Value per Order	Gross Revenue from Fees	Average Fee per Order	
		Payable in Canada	Payable in Other Countries	TOTAL	Payable in Canada	Payable in Other Countries	TOTAL				
											\$
1955											
	7,925	12,830,446	2,016,503	14,846,949	467,760,754	21,894,720	489,655,475	32	98	2,717,903	53
	N.....	32,056,010	.....	32,056,010	201,169,311	.....	201,169,311	6	28	3,544,134	07
	D.....	44,886,456	2,016,503	46,902,959	668,930,066	21,894,720	690,824,786	14	73	6,262,037	60
TOTAL.....											
1956											
	8,004	13,708,812	1,941,109	15,649,921	493,872,312	21,700,086	515,572,399	32	94	2,878,239	60
	N.....	33,431,161	.....	33,431,161	210,358,333	.....	210,358,333	6	29	3,705,027	49
	D.....	47,139,973	1,941,109	49,081,082	704,230,646	21,700,086	725,930,732	14	79	6,583,267	09
TOTAL.....											
1957											
	8,080	14,869,121	2,396,087	17,265,208	553,449,546	26,906,760	580,356,307	33	61	3,197,075	25
	N.....	33,917,088	.....	33,917,088	219,258,696	.....	219,258,696	6	46	3,792,334	74
	D.....	48,786,209	2,396,087	51,182,296	772,708,243	26,906,760	799,615,004	15	62	6,989,409	99
TOTAL.....											
1958											
	8,136	16,038,348	2,316,811	18,355,159	594,162,454	27,314,146	621,476,601	33	86	3,406,605	62
	N.....	34,543,795	.....	34,543,795	224,170,837	.....	224,170,837	6	49	3,874,199	66
	D.....	50,582,143	2,316,811	52,898,954	818,333,292	27,314,146	845,647,439	15	99	7,280,805	28
TOTAL.....											
1959											
	8,223	16,275,637	2,380,760	18,656,397	597,732,602	27,470,837	625,203,439	33	51	3,445,979	60
	N.....	35,089,653	.....	35,089,653	228,240,451	.....	228,240,451	6	50	3,944,043	54
	D.....	51,365,290	2,380,760	53,746,050	825,973,053	27,470,837	853,443,891	15	88	7,390,023	14
TOTALS.....											

N—Notched Money Orders      D—Denominative Money Orders

# EXCHANGE OF MONEY ORDERS BETWEEN CANADA AND OTHER COUNTRIES FOR FISCAL YEARS 1957-1958 AND 1958-1959

Name of Country	Issued in Canada				Payable in Canada			
	Number		Amount		Number		Amount	
	1957-1958	1958-1959	1957-1958	1958-1959	1957-1958	1958-1959	1957-1958	1958-1959
Antigua.....	333	278	\$ 3,463.95	\$ 2,698.66	3	5	\$ 11.25	\$ 58.04
Australia.....	2,386	2,338	32,844.65	30,132.43	3,741	3,296	31,676.09	27,284.57
Austria.....	3,671	3,995	94,318.35	98,597.83	123	110	2,531.84	2,900.90
Bahamas.....	231	229	4,494.17	3,977.24	97	68	1,535.20	1,043.39
Barbados.....	2,473	2,719	33,882.47	37,563.44	53	57	224.21	268.21
Belgium.....	4,885	5,008	107,821.93	111,149.97	3,483	3,384	128,630.50	126,974.12
Bermuda.....	567	711	8,210.59	10,833.72	314	143	6,433.57	5,313.02
British Guiana.....	1,743	1,881	30,390.01	29,788.26	21	30	120.06	162.43
British Honduras.....	99	104	2,167.30	2,540.47	41	62	250.70	396.86
Denmark.....	1,997	2,298	53,610.48	59,179.41	239	393	4,942.88	8,881.47
Dominica.....	148	106	1,043.32	1,040.70	2	4	9.50	41.90
Fiji (a).....	68	65	1,226.05	1,241.86	1,319	1,441	41,301.92	44,406.65
France.....	18,801	19,958	306,803.88	318,546.91	4,291	5,211	164,466.35	206,241.21
German Federal Republic.....	42,579	45,664	1,005,167.18	1,120,290.02	9,189	12,321	66,219.44	130,256.27
Great Britain and Northern Ireland (b).....	440,272	400,507	5,633,489.17	4,732,797.22	8	14	50.45	200.66
Grenada.....	94	158	980.23	1,327.21	1,445	1,722	27,890.05	34,924.39
Holland.....	25,525	27,143	363,508.28	387,481.47	1	1	10,176.07	67
Hong Kong.....	491	552	8,716.12	10,176.07	527	574	4,571.21	4,180.72
Iceland.....	34	43	239.61	817.89	222	476	9,365.86	23,904.78
Ireland (Republic).....	8,751	5,751	160,457.96	109,782.56	27	20	317.21	189.57
Italy.....	26,687	25,234	850,508.81	741,514.51	6	8	26.66	60.23
Jamaica.....	11,154	14,921	171,945.39	220,899.36	5	3	14.57	19.80
Japan.....	10,648	11,719	279,824.97	332,053.89	28	28	605.00	995.31
Malaya.....	196	187	3,413.14	3,221.51	296	238	4,839.43	3,321.00
Mexico.....	502	461	9,004.03	9,011.35	4	4	15.58	18.16
Montserrat.....	368	406	2,834.00	4,160.00	15	15	35.00	35.00
Montserrat.....	1,352	1,384	15,026.16	15,005.57	15	15	35.00	35.00
New Zealand.....	1,742	1,611	49,314.02	45,151.61	15	15	35.00	35.00
Norway.....	546	416	8,040.35	7,271.56	15	15	35.00	35.00
Poland.....	497	531	5,281.46	24,574.26	24	28	75.43	315.93
Rhodesia and Nyasaland (Federation) (c).....	206	371	2,585.52	5,582.38	17	18	117.10	100.04
St. Kitts-Nevis.....	595	782	11,044.21	5,819.76	16	17	104.17	66.51
St. Lucia.....	96	86	2,034.47	2,182.94	122	147	2,020.64	2,077.74
St. Vincent.....	1,694	1,548	40,816.08	35,383.02	804	878	19,067.88	21,109.04
Saar (d).....	2,450	2,371	59,807.38	54,259.60	64	61	629.37	536.26
Sweden.....	1,254	1,632	20,365.15	23,674.61	255,261	233,086	4,873,474.86	4,379,904.75
Switzerland.....	7,370	7,859	110,283.47	115,027.83	56	24	3,028.88	565.45
Trinidad.....	1,691,925	1,785,340	17,766,456.09	18,661,305.89	281,850	264,493	5,394,567.86	5,026,970.40
Union of South Africa.....	29	17	169.75	261.14	281,850	264,493	5,394,567.86	5,026,970.40
United States.....	2,352	3,346	52,556.59	78,485.78	281,850	264,493	5,394,567.86	5,026,970.40
Virgin Islands.....	2,352	3,346	52,556.59	78,485.78	281,850	264,493	5,394,567.86	5,026,970.40
Yugoslavia.....	2,352	3,346	52,556.59	78,485.78	281,850	264,493	5,394,567.86	5,026,970.40
TOTALS.....	2,316,811	2,380,760	27,314,146.74	27,470,837.47	281,850	264,493	5,394,567.86	5,026,970.40

(a) Fiji—Orders from Fiji to Canada advised—via Great Britain since 19th September 1932.  
 (b) Great Britain and Northern Ireland—including British possessions and other countries using British Exchange facilities.  
 (c) Federation of Rhodesia and Nyasaland—Direct service effective 1st April 1958.  
 (d) Saar—Returned to France 1st January 1958.

OPERATIONS OF THE POST OFFICE SAVINGS BANK FOR THE TEN  
FISCAL YEARS ENDED MARCH 31, 1959

Year ending 31st March	Balance on deposit beginning of Fiscal Year	Amount of Deposits	Interest Allowed to Depositors	Amount of Withdrawals	Balance on deposit end of Fiscal Year	Number of Accounts end of Fiscal Year	Average at credit of depositors end of Fiscal Year	Number of Post Office Savings Banks 31st March
1950.....	37,741,388.62	12,144,889.17	729,006.54	11,860,650.53	38,754,633.80	274,423	141.21	1,536
1951.....	38,754,633.80	10,368,265.52	733,893.07	12,194,871.84	37,661,920.55	278,595	135.18	1,531
1952.....	37,661,920.55	11,011,092.14	722,803.77	11,364,584.26	38,031,232.20	282,326	134.70	1,513
1953.....	38,031,232.20	11,521,742.93	741,954.38	10,972,699.97	39,322,229.54	287,468	136.79	1,512
1954.....	39,322,229.54	10,597,045.60	733,009.05	12,859,369.98	37,792,914.21	291,602	129.62	1,495
1955.....	37,792,914.21	9,402,227.13	713,078.63	11,127,553.80	36,780,666.17	293,840	125.17	1,457
1956.....	36,780,666.17	9,241,387.75	698,775.58	10,556,369.38	36,164,460.12	296,424	122.00	1,453
1957.....	36,164,460.12	9,663,773.62	753,112.07	10,662,846.82	35,918,498.99	298,700	120.25	1,440
1958.....	35,918,498.99	9,097,663.78	852,084.85	10,972,519.00	34,895,728.62	300,619	116.08	1,466
1959.....	34,895,728.62	8,611,890.27	820,954.60	10,172,956.18	34,155,617.31	302,349	112.97	1,477

# STATEMENT OF POST OFFICE GUARANTEE FUND TRANSACTIONS

## ASSETS ON MARCH 31st, 1958:

Cash on deposit in Post Office Savings Bank.....	\$ 16,474.25
Bonds at cost adjusted for amortized premium and discount plus accrued interest.....	391,489.90
	<u>\$407,964.15</u>

## ADDITIONS:

Interest on bonds.....	13,980.20
Interest on bank deposit.....	497.40
Collection of previous years' payments.....	2,563.00
	<u>17,040.60</u>
	<u>425,004.75</u>

## DEDUCTIONS:

Thirteen withdrawals to reimburse the Department for losses due to malfeasance on the part of Post Office employees	12,229.13
Loss sustained on the exchange of Victory Bonds for Canada Conversion Bonds.....	3,625.65
	<u>15,854.78</u>

## ASSETS ON MARCH 31st, 1959:

Cash on deposit in Post Office Savings Bank.....	21,454.58
Bonds at cost adjusted for amortized premium and discount, plus accrued interest.....	387,695.39
	<u>\$409,149.97</u>



## NUMBER OF POST OFFICES

Statement showing the number of Post Offices in operation on March 31st, 1958, the number of Post Offices established and the number of Post Offices closed during the year from April 1st, 1958 to March 31st, 1959, and the number in operation on March 31st, 1959.

Province	Number of Post Offices in operation on March 31, 1958	Number of Post Offices established from April 1, 1958, to March 31, 1959	Number of Post Offices closed from April 1, 1958 to March 31, 1959	Number of Post Offices in operation on March 31, 1959
Newfoundland.....	641	11	5	647
Prince Edward Island.....	105	—	1	104
Nova Scotia.....	1,096	1	66	1,031
New Brunswick.....	676	—	42	634
Quebec.....	2,413	30	38	2,405
Ontario.....	2,616	43	35	2,624
Manitoba.....	810	12	8	814
Saskatchewan.....	1,310	4	16	1,298
Alberta.....	1,112	3	26	1,089
British Columbia.....	937	8	13	932
Yukon.....	16	3	—	19
Northwest Territories.....	36	1	—	37
TOTALS.....	11,768	116	250	11,634

Total number of Post Offices in operation on 31st March 1958.....	11,768
Total number of Post Offices in operation on 31st March 1959.....	11,634
Net decrease.....	134
Number of Post Offices established from 1st April 1958 to 31st March 1959.....	116
Number of Post Offices closed from 1st April 1958 to 31st March 1959.....	250

TABLE I—INVESTIGATIONS 1958-59

No. of Cases carried forward from previous fiscal year	No. of Cases current fiscal year	No. of Employees Dismissed Without pros.	No. of Prosecutions	No. of Charges laid	No. of Charges withdrawn	No. of Acquittals	No. of Convictions	No. of Charges in Court
410	1,458	76	*294	487	44	13	386	44

\*Of these prosecutions, 81 were of Post Office personnel charged with theft, opening, delaying, secreting and abandoning of mail, misappropriations of public funds and other miscellaneous offences.

TABLE II—PROSECUTIONS

Offence	No. of Persons Prosecuted	No. of Charges laid	No. of Withdrawals	No. of Acquittals	No. of Convictions	No. of Charges in Court
Theft of mail.....	90	126	3	1	111	11
Opening, delaying and secreting.....	11	12	—	—	11	1
Financial irregularities.....	14	33	—	2	30	1
Robberies.....	102	102	3	6	80	13
Receiving and Possession.....	22	25	3	—	21	1
Forgery and Uttering.....	28	154	32	1	113	8
Miscellaneous.....	27	35	3	3	20	9
TOTALS.....	294	487	44	13	386	44

ENQUIRIES DIVISION  
STATEMENT OF INDEMNITIES  
REGISTERED: INSURANCE: C.O.D. SERVICES  
FISCAL YEAR 1958-1959

1. REGISTERED

(a) Domestic mails

Number of indemnity claims paid.....	112
Amount of indemnity paid.....	\$2,244.80
Paid from Departmental Funds...	\$1,798.58
Indemnity recovered.....	\$ 446.22

(b) International mails

Number of indemnity claims paid.....	181
Amount of indemnity paid.....	\$1,100.38
Paid from Departmental Funds...	\$ 388.69
Indemnity recovered.....	\$ 711.69

2. INSURED

(a) Domestic mails

Number of indemnity claims paid.....	9,579
Amount of indemnity paid.....	\$117,715.05
Paid from Departmental Funds...	\$112,878.07
Indemnity recovered.....	\$ 4,836.98

(b) International mails

Number of indemnity claims paid.....	118
Amount of indemnity paid.....	\$ 1,332.78
Paid from Departmental Funds...	\$ 1,041.14
Indemnity recovered.....	\$ 291.64

3. C.O.D.

Number of indemnity claims paid.....	2,680
Amount of indemnity paid.....	\$27,827.05
Paid from Departmental Funds...	\$ 24,282.09
Indemnity recovered.....	\$ 3,544.96
Total Indemnity paid.....	\$150,220.06
Total Indemnity recovered.....	\$ 9,831.49
Paid from Departmental Funds.....	\$140,388.57

## RURAL DIRECTORIES TRANSACTIONS

Post Office Rural Directories sold and distributed during the years ended  
March 31, 1958 and 1959

	1957-1958	1958-1959
Newfoundland.....	208	312
Prince Edward Island.....	95	97
Nova Scotia.....	336	335
New Brunswick.....	296	265
Quebec.....	1,581	1,330
Ontario.....	2,022	1,951
Manitoba.....	547	637
Saskatchewan.....	892	793
Alberta.....	1,178	1,138
British Columbia.....	596	689
Yukon.....	22	13
Summer Cottager.....	1	2
TOTALS.....	7,774	7,562

### REVENUE FROM SALE AND USE OF RURAL DIRECTORIES, NUMBER BOOKLETS AND LETTER CARRIER WALK LISTS

Rural Directories Sold.....	12,290.00	12,414.00
Mailings from Name Lists.....	740,940.21	1,143,075.86
Householder Mailings.....	4,268,899.59	4,594,708.80
TOTALS.....	5,022,129.80	5,750,198.66

## UNDELIVERABLE MAIL OFFICE TRANSACTIONS 1958-1959

### INTERNATIONAL MAIL MATTER

Of Foreign and Domestic origin undeliverable in Canada and abroad	
Foreign origin.....	2,524,353
Canadian origin.....	189,699

### DOMESTIC MATTER

Undeliverable as addressed.....	9,001,604
	<hr/>
	11,715,656

### UNCLAIMED PARCELS

Of Canadian origin undeliverable in Canada and abroad.....	56,340
---	--------

### CASH STATEMENT

(a) Cash found in undeliverable mail.....	\$49,633.96
(1) Cash refunded.....	\$37,350.98
(2) Cash unclaimed.....	\$12,282.98
(b) Revenue collected on returned undeliverable mail.....	\$24,753.14
(c) Proceeds of sale of unclaimed articles.....	\$ 7,748.55

## PURCHASING AND STORES

The following expenditures were made during the fiscal year 1958-59

Freight, Express and Cartage.....	\$ 85,516.84
Publication of Departmental Reports and Other Material.....	146,394.22
Truck Signs, Householder Leaflets and Other Material....	34,647.39
Office Stationery Supplies and Equipment.....	648,999.86
Portion of Rental of Storage Space.....	2,413.31
Mail Bags, Uniforms and Other Material and Supplies....	1,846,307.56
Portion of Acquisition of Equipment.....	1,016,971.39
Rural Mail Delivery Boxes.....	66,206.40
Repairs and Upkeep of Equipment.....	179,744.26
Rental of Equipment.....	86,701.95
Sundry Operating and Administrative Materials.....	711.15
Postage Meter and Postage Register Supplies.....	42,998.33
Total for the year 1958-59.....	4,157,612.66
Total for the year 1957-58.....	4,738,109.84







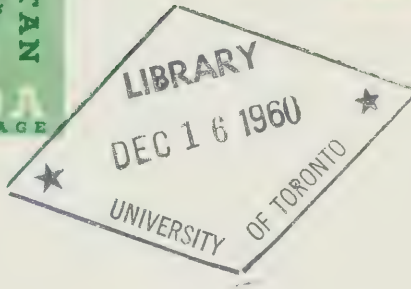




REPORT OF THE POSTMASTER GENERAL

FOR  
THE  
YEAR  
ENDED  
MARCH  
1959





# REPORT OF THE POSTMASTER GENERAL

FOR THE  
YEAR ENDING  
MARCH 31 · 1960



ST LAWRENCE SEAWAY · VOIE MARITIME DU ST-LAURENT



CANADA



Government  
Publications



Government  
Publications

Canada Post Office 1960



# REPORT OF THE POSTMASTER GENERAL

FOR THE  
YEAR ENDING  
MARCH 31-1960

159/60





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CANADA

OFFICE OF THE POSTMASTER GENERAL  
CABINET DU MINISTRE DES POSTES

*To His Excellency Major General  
Georges P. Vanier, D.S.O., M.C., L.L.B., L.L.D.,  
Governor General and Commander-in-Chief of Canada.*

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour to forward to Your Excellency the accompanying report of the Post Office Department of Canada for the year ended March 31, 1960, which is respectfully submitted.

I have the honour to be, Sir,

Your Excellency's Most Obedient Servant,

*Wm. Hamilton*

*Postmaster General.*

Post Office Department  
Ottawa, 1st October, 1960



DEPUTY POSTMASTER GENERAL  
SOUS-MINISTRE DES POSTES

Ottawa 4, Ontario

*To the Honourable William Hamilton, B.Sc. (Comm.), P.C., M.P.,  
Postmaster General of Canada.*

SIR:

I have the honour to submit the annual report of the Post Office Department of Canada for the fiscal year ended March 31, 1960.

It will please you to learn that both the total revenue and mail volume have again reached an all time high in the history of the Department. The volume of mail has continued its trend of increasing annually, reaching 3,983,000,000 pieces in 1960, an increase of 181,000,000 pieces over 1959. Due largely to this increased volume of mail, revenue has risen to a new high of \$193,593,016.22, \$10,302,039.88 in excess of last year's revenue.

Despite increased costs, because of the increase in revenue, a surplus of \$1,836,713.30 has been earned. This compares with last year's deficit of \$173,142.64.

The growth of major metropolitan areas and the increased volume of mail have pointed still more sharply to the need for further mechanization and refinement of mail handling techniques. During the year, rapid steps have been taken in this direction, some of which are briefly described in the attached Report.

Streamlining of Headquarters work has moved ahead with the establishment of a Comptroller's Branch, thus placing all purchasing and internal accounting under a single administrator.

The report indicates a steady growth and demonstrates the planning being undertaken for the continued expansion of postal facilities so necessary to service Canada's swelling rural and urban populations.

I wish to express my appreciation for the loyalty of postal employees and my pleasure at the manner in which they have continued to carry out their duties.

Respectfully submitted,

*Deputy Postmaster General.*

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1960

Price 35 cents

Cat. No. Po 1-1960

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# Postal Service

The basic task of the Post Office Department is to receive, convey and deliver some 3,600,000,000 pieces of mail matter with security and despatch. To maintain a high degree of efficiency in the performance of these duties, the Post Office maintains an Operating Service and Headquarters at Ottawa.

Post offices are established from Newfoundland to the west coast of Vancouver Island and from Pelee Island, Ont. (the most southerly inhabited point of Canada) to the farthest settlements and missions in the Canadian Arctic.

Other associated functions of the Post Office include the sale of stamps and other articles of postage, registration of mail matter, insurance of parcels, accounting for C.O.D. articles, money order service and the operation of the Post Office Savings Bank.

Because of its widespread facilities, it has been found expedient for the Post Office to assist other government departments in the performance of certain tasks. It sells unemployment insurance stamps, collects government annuities payments, distributes income tax forms and Civil Service employment application forms, and displays government posters.



To honour Her Majesty Queen Elizabeth II on the occasion of her visit to Canada with Prince Philip, this stamp was put on sale on June 18th, 1959, the day of Her Majesty's arrival in Canada.

The stamp, printed in dark red, portrays the Queen as she appears in a painting by Pietro Annigoni. The original was commissioned in 1954 by the Court of the Fishmongers Company and now hangs in their Hall near London Bridge.

# Administration Branch

There has been steady expansion in the sphere of International Mails accentuated by the fact that Canada holds the vice-presidency of the Executive and Liaison Committee of the Universal Postal Union and by membership in several important international postal sub-committees.

Domestic Mails have also expanded greatly with the growth of postal business in Canada to such an extent that it has been deemed advisable to divide the Administration Branch to permit greater concentration on International and Domestic laws and regulations.

The Administration Branch, as now constituted, is responsible for the general administration of the postal service. It applies domestic and international postal rate structures and regulations. In addition, it furnishes investigation and legal services.

## **domestic mails**

During the year, arrangements were made for the extension of the postage meter system to an additional 85 post offices, bringing the number of post offices using this mechanical method of prepaying postage to 1,046.



For some time the increase in the weight and volume of "householder" mail has posed a serious problem. This is a service under which an advertiser may mail third class matter in a given area without being required to have it individually addressed or stamped.

This mass of unaddressed mail matter was causing difficulties in maintaining a proper mail service and brought about complaints, not only from within the service, but from mail patrons as well, many of whom resented such unsolicited matter in their mail.

A full study of the problem was made and new regulations, effective 1st June 1960, were enacted. These restrict the size of "householder" items for delivery by letter carriers to 4½" in width and 12" in length, to permit easy disposal in mail boxes or letter slots. Articles of irregular shape, samples or advertising novelties, etc., will not be accepted for "householder" delivery and the rate on items weighing over two ounces has been increased by ½ cent. The limit in size of items intended for "householder" distribution at Non-Letter Carrier Offices or on Rural Routes is 8½" in width and 12" in length.

Generally speaking, the new regulations have met with widespread approval while, at the same time, Canadian advertising associations have accepted them without criticism or complaint.

A statement of the Undeliverable Mail Office transactions will be found in the appendix to this Report.

### **international mails**

As a result of its membership in the Executive and Liaison Committee of the Universal Postal Union, the Canadian Postal Administration has been called upon to play an increasingly important role in the affairs of the Union and the postal world. The International Mails Division, being responsible for all phases of the exchange of mails with foreign countries and for international postal relations, has participated actively in the study of problems retaining the attention of postal administrations, especially in the field of air transport.

Much attention has been concentrated on relations with the United States and a revision of the postal convention between the two countries is under study.

The volume of air mail despatched from Canada to other countries during the last fiscal year has again shown an upward trend. The extension of new air services was utilized to improve and speed up the exchange of mail. As a result of an international air service pooling agreement between Trans-Canada Air Lines and British Overseas Airways Corporation, air mail from Canada for trans-Atlantic destinations is now forwarded via these two air lines with consequent gain in time.

A parcel post air service was established with the Union of Socialist Soviet Republics and air A.O. (articles other than letters, postcards and parcels) services were extended to 35 additional countries or territories.

Improvements were also effected in the handling of surface mail. The opening of the St. Lawrence Seaway has provided a greater number of fast freighter services and increased the frequency of sailings to trans-Atlantic destinations. Increased use of passenger and semi-passenger vessels for the carriage of surface mails, especially parcel post mails, has resulted in a speedier delivery as well as savings in transportation and overhead costs.

The agreement between Canada and India covering the exchange of parcel post was revised and formalized.

In order to expedite handling and effect economies at Canadian receiving exchange offices, arrangements were made with several administrations for an improved procedure for the documentation of parcels destined for Canada.

Regulations governing the exclusion from the mails of explosive, inflammable and other dangerous articles were revised. These regulations were considerably strengthened following an exchange of views with the agencies concerned. As a result, the Post Office is able to provide for more effective application of the regulations and can ensure a greater degree of safety for postal personnel, the mail and the carriers.

### **investigations**

In recent years a greatly increased "security-mindedness" has been built up on the part of postal employees at all levels. With the assistance of the Department of Public



Works the security of post office buildings has been improved and protective equipment added.

However, coincident with the increase in the number of criminal cases throughout the country, the number of offences affecting the postal service increased and there was a corresponding increase in the number of persons prosecuted. Details in this respect will be found in the appendix to this Report.

During the year, 1,994 cases were dealt with through Headquarters Investigations Division and its field staff. These covered the investigation of thefts and other mail depredations, post office account shortages, burglaries and hold-ups and other crimes or offences such as receiving, possession, forgery and uttering. They are in addition to the irregularities normally dealt with at District Office level.

The increase in the number of breaking and entering offences reported to the police throughout the country generally was reflected in the number of post office burglaries which have increased by 12% over last year. There was no loss in 34% of these Post Office burglaries, mainly due to the definite steps taken to improve the security of buildings and to added protective equipment.

For comparative statistical purposes within the Department, losses by burglary cover the items on which we can place an approximately accurate monetary value including cash, stamps, denominative money orders, etc. The results of efforts to reduce the losses attributable to burglary is illustrated by the fact that the net average loss per burglary has been reduced from \$1,262 in 1958-59 to \$983 in the last fiscal year and the total figure has dropped from \$448,248 to \$385,663.

However, it is important to realize that these loss figures for statistical purposes are actually greatly in excess of the loss to either the Post Office or the public treasury, because only the cash stolen is a complete loss. In many cases the postage stamps stolen cannot be disposed of by the thieves and are destroyed. In the case of money orders stolen, the picture is clear because they can be identified when they pass through the post office. In the last fiscal year, for example, denominative money orders having a potential value of \$139,305 were stolen and included in



the loss figures; on the other hand, the thieves succeeded in cashing only 20 of these at post offices and the total value thereof was only \$201. In other words, a reported loss of \$139,000 was in fact only a loss of \$200.

More stringent regulations regarding the retention of cash in post offices have made possible the reduction of actual cash losses from an average of \$84 per burglary in 1958-59 to an average of \$70 in the last fiscal year.

Special attention has also been given to the methods of handling the despatch of mail to ensure its protection in transit. In recent years, the railways have eliminated many of their trains and the Post Office has been forced more and more to resort to highway transport to deliver the mails swiftly and efficiently. Obviously, the security problems of handling mail by truck are more complex than while hauling it by train. However, new security measures were developed recently for this purpose in co-operation with the Royal Canadian Mounted Police, the Provincial Police forces and the police staffs of the municipalities concerned.

Every possibility of theft, or of robbery on the highway cannot be avoided, but in comparison with the general picture of this field throughout Canada the record of the Postal Service is a favourable one and reflects the results of the substantial efforts made.



Issued on the 200th anniversary of the battle of the Plains of Abraham, this stamp was designed to symbolize the achievement of two peoples of different language and culture who joined in the creation of the Canadian nation.

The British and French heraldic emblems on either end of the ribbon which has "Canada" in the centre symbolize the union of these people to form Canada. The three maple leaves represent the two original groups as well as the peoples of many other nations who have joined in the task of building our country.



This stamp, issued simultaneously with one of almost identical design by the postal administration of the United States, commemorates the official opening of the St. Lawrence Seaway on June 26, 1959.

Printed in red and blue on a white ground, it uses the national colours of both countries, while the design reproduces their national emblems.

This is the first occasion on which Canada and the United States worked in concert to produce and issue a stamp.

# Comptroller's Branch

This new Branch was formed on December 1, 1959, to improve the internal accounting system of the Department, the operation and control over budgetary arrangements and Purchasing and Stores operations. Improved control of these operations will result in a substantial increase in efficiency in these fields.

## **budgets, costs and estimates**

The preparation of parliamentary estimates is made in accordance with Treasury Board requirements, which are revised each year to meet changing conditions. A breakdown of parliamentary appropriations on a sub-allotment basis is furnished to the appropriate senior official in each branch of the Department.

This breakdown is revised to account for changes made in estimates, which in the past year were necessitated by the addition of two new branches. The revised breakdown is used as a basis upon which to control present spending and to determine future requirements.

The Postmasters' Budgetary System, since its inception in 1953, has been expanded from 69 to 87 participating



post offices. This program continues to fulfill its purpose of making postmasters cost-conscious and economy-minded.

Apportionment data and ratios were derived from cost ascertainment tests conducted in fiscal year 1958-59, at selected offices of various sizes across Canada. This, as well as information from other sources, will be used to develop volume, revenue and expenditure figures which will reflect with reasonable accuracy the participation of each class of mail and each special service in the total revenues and expenditures for the fiscal year 1959-60.

During the past year, the method inaugurated on April 1, 1958 of compiling actual statistics on all householder mailings instead of obtaining these figures by samplings and projection was continued.

The next triennial cost ascertainment survey will be conducted in the fiscal year 1961-62.

Work measurement and timestudy, comprising the measurement of mail volumes handled and labour hours worked as well as the application of work standards in most instances, was extended to two large post offices, and inaugurated in nine sections of five additional large post offices.

The Cost Control Program is now in operation in 48 unit sections of post offices at Montreal, Toronto, Vancouver, Winnipeg, Calgary, Edmonton, Hamilton, Ottawa, Quebec, Saskatoon, Saint John, N.B., and Peterborough. The data made available through this program provide valuable assistance in creating staffing arrangements representative of the volumes available, efficiently utilizing part-time supplementary staffs, controlling and reducing overtime and devising improved methods to curtail secondary handlings. All of these factors lead to increased operational efficiency and reduced processing costs.

### **purchasing and stores**

The Purchasing and Stores Division is responsible for direct purchase of materials, supplies and equipment, with the exception of postal values and special types of equipment, and for the procurement, by requisition of the Department of Public Printing and Stationery, of

printing and stationery supplies. It is responsible for the custody and control of such stores in stock at Headquarters and at ten Postal Stores Depots and for mail bags in stock at nine mail bag depositories in the Field.

During the year, contracts were concluded with the Department of Justice for the manufacture of mail bags, and for repair of mail bags and mail boxes at federal penitentiaries. Approximately half of the new mail bags purchased were made by penitentiary inmates and the balance was contracted from private firms.

Inspection of major contracts for equipment and letter carrier uniforms was carried out by the Department of National Defence Inspection Services at a nominal charge.

Substantial savings in shipping costs of supplies and equipment by rail and motor transport were effected through better application of traffic control.

A statement covering the expenditures of the Purchasing and Stores Division is given in the appendix to this Report.

### **statistical and office services**

This division is responsible for the provision of records management, stenographic and messenger services. It also distributes such printed matter as directives, manuals, notices and householder directories. The ordering, controlling and issuing of office supplies and publications is also handled by this division.

During the year, a compilation of file retention schedules was completed whereby thousands of files and dormant or obsolete records were disposed of in accordance with a set policy. By this means the introduction of uniform file control procedures throughout Headquarters was made possible.

In terms of volume, the number of typewritten lines produced in stenographic pools as well as papers processed through the Records Section remained within 2% of the volume handled during the previous fiscal year. This was made possible by improving facilities for the preparation and release of duplicated printed matter.

The Householder Directories Section of the division compiles and distributes directories listing names, addresses and occupations of all householders served through post offices where no commercial directory is published. During the last fiscal year, mailings from the sale and use of these directories produced a revenue of \$5,950,239.67.



# Engineering and Development Branch

The Engineering and Development Branch was formed on April 1, 1959 to cope with the Department's greatly increased activity in the engineering side of the Operations Branch and to provide a more equitable distribution of this responsibility. Certain staff responsibilities were re-allocated to the Personnel Branch. The Engineering Section, which dealt with buildings, accommodation, equipment, mechanical installations and workshops, was amalgamated with one new division, the Mechanization Development Division, to form the new Branch.

The three main functions of the Branch are to plan and direct the procurement and layout of satisfactory postal accommodation for other than Revenue Post Offices, and to provide equipment through the design and procurement of a wide range of items.

Although some further re-distribution of duties and responsibilities is planned, the Branch at the present time consists of three divisions: Buildings and Accommodations, Mechanical Engineering and Equipment, and the Mechanization Development Division.



## buildings and accommodation

The modernization of existing postal buildings and the erection of new ones has been accelerated. To expedite this program, officers of the Post Office Department and the Department of Public Works co-operated in the development of plans for standardized buildings which could be adapted to serve communities of various sizes, from the smallest Semi-Staff post office up to and including Grade 9 post offices without letter carrier delivery service.

The Continuing Works Program under which the Department of Public Works has replaced many rented post office premises by the erection of small federal buildings, has progressed to a great extent.

The following is the building record for the year, including buildings constructed under the Continuing Works Program:

	New Buildings		Additions to Buildings	
	Completed	Under Construction March 31, 1960	Completed	Under Construction March 31, 1960
Newfoundland.....	6	2	1	0
Prince Edward Island..	0	1	0	0
Nova Scotia.....	12	2	1	1
New Brunswick.....	6	4	0	0
Quebec.....	22	15	2	2
Ontario.....	19	18	5	1
Manitoba.....	9	5	2	0
Saskatchewan.....	7	7	0	0
Alberta.....	8	8	1	0
British Columbia.....	4	5	0	0
Northwest Territories..	1	0	0	0
TOTALS.....	94	67	12	4

In the case of rented Post Office accommodation, 69 new leases were negotiated on our behalf by the Department of Public Works, 260 leases were renewed, and the interiors of 54 Post Office buildings were renovated and modernized.

Approximately 20,000 pieces of new equipment or furniture were supplied to post offices and some 10,000 street mail boxes, group mail boxes and Letter Carrier storage boxes were repainted during the year.

## **mechanical engineering division**

Extensive equipment, such as flat conveyors, incline conveyors, vertical conveyors, skip hoists and spiral chutes, are to be installed in the following new offices: Calgary, Saskatoon, London, Toronto, Quebec and Halifax.

Additions or alterations of conveyors and chutes are being made in the post offices at Victoria, Regina, Winnipeg, Hamilton, Toronto and Montreal.

One thousand vulcanized fibre trays and two thousand trays of fibreglass plastic construction were ordered. These materials are being used, on a trial basis, to overcome the extensive maintenance now required for trays made of wood.

Post office signs of a new design, made of porcelain enamel coated steel sheet, coloured red and white, were ordered. These signs are for mounting outside small post offices.

## **mechanization development division**

A reinforced fibreglass plastic letter box of attractive design and with the colour impregnated was developed. Sixty hand-made models were distributed to all Grade 12 offices and up, for field evaluation trials. It is hoped they will require little of the upkeep and repainting which is now a costly factor with existing metal boxes.

A contract was concluded with Canadair Limited of Montreal, P.Q., to finish re-working or redesigning portions of the Canada Post Office Electronic Letter Sorter, so that the pilot installation may be evaluated over a six-month period in the Montreal Post Office. Trainer coding desks have been completed by Post Office engineers, for use in training coder operators using electronic letter sorting equipment in the Montreal Post Office.

Modifications have been worked out and a contract has been arranged with Elliott Brothers (London) Limited for one experimental letter and packet segregating machine, two letter grading machines and four letter facing machines. This will mechanize a hitherto monotonous and inefficient hand operation performed in the

large centres by part-time help. Delivery is scheduled for installation in the Winnipeg Post Office in 1961.

A new mail flow system is being tested in Toronto by which, when the time arrives for mail which has been sorted to be removed from the sorting cases and despatched, an announcement is made over a loud-speaker system and the sorter merely removes the mail for the destination being announced and puts it on a moving belt underneath his table. Previously a considerable amount of pedestrian traffic was required since the mail was picked up individually in turn from each pigeon hole in each case.

The Mechanization Programme will bring about more efficient handling of the ever increasing mail volume without corresponding increase in staff but will not cause any full time postal employee to be thrown out of work. It is a long range programme which will take time to develop, test and extend throughout the service. These machines will be introduced at a rate which will enable the Department to adjust to the change without dislocation of staff or hardship to anyone.

# Financial Branch

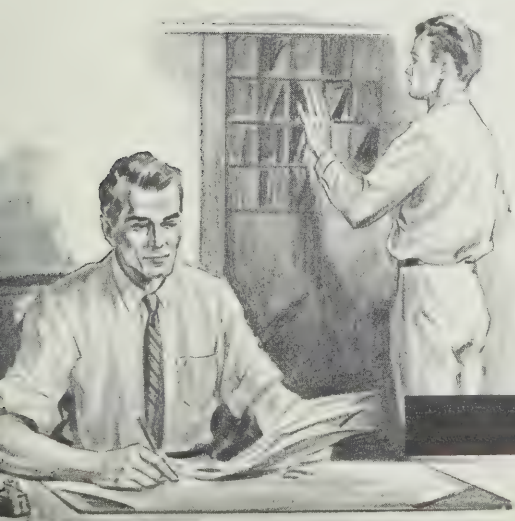
Two main forms of financial services are provided by the Post Office Department. These are the savings bank and the money order systems. Postal Savings Bank facilities are available at 1,500 of the 8,000 accounting post offices throughout the country and money order service at approximately 11,000 offices.

In addition a complete revenue accounting and control system serves the internal needs of the postal service generally. The Financial Branch supervises the cash account audit, money order, postage stamps and philatelic services, procedure control and the savings bank.

## **cash account**

Postmasters made 602,000 bank deposits totalling \$1,100,000,000 during the year. As a result of arrangements with the Bank of Canada and the Department of Finance, postmasters sent the related bank drafts direct to the nearest Bank of Canada Agency to be credited to the Receiver General instead of sending them to the Financial Branch to be audited before being forwarded to the Department of Finance.

The use of night depository and security transfer services was extended, in order to reduce the amount of cash on hand in post offices overnight and over week-ends.



1914 Postal Officers (grades 1 to 9)



During the year, 180 non-accounting offices were raised to accounting status, and authorized to issue money orders for amounts up to \$100.00.

Arrangements were made to have all accounting post offices report their financial transactions to the Financial Branch three times per month instead of four times per month. The new procedure was placed in effect on the 1st April, 1960. This will result in substantial savings both in the Field and at Headquarters.

The Division processed some 220,000 claims by banks for paid money orders.

Audit of revenue of \$78,411,000 from 27,849 postage meters and 129 postage registers was carried out. The number of Unemployment Insurance meters in service was increased from 760 to 781.

The number of lock boxes available for rental increased from 784,520 to 818,795. Revenue from this source amounted to \$1,894,680.97.

#### **general financial division**

Revenue and expenditures from revenue accounted for by this Division again increased over the amounts in prior years.

The total cost of foreign currencies purchased during the year in settlement of International Mail Accounts and Money Order Services was \$28,522,450, an increase over the \$28,061,453 in the prior year.

Losses by fire, theft, forgery, etc., verified and written off during the year totalled \$295,130 compared with \$138,570 in the prior year. Of the amount in this year, \$256,282 represents postage supplies stolen, which in most cases never would be used. The balance of \$38,848 represents actual loss of funds.

Shortages and other irregularities in postmasters' accounts increased by \$46,944, from \$80,467 in the prior year to \$127,411. Any amounts not collected will be recovered from the Post Office Guarantee Fund.

The Salary Warrant Section issued payments totalling \$22,053,339, a slight increase over the prior year's total of \$21,781,055.



## **money orders**

The number of money orders issued during the year was 54,953,087, an increase of 2.25% over the previous year when 53,746,050 were issued. The average value per money order was \$15.81 compared with \$15.88 in the previous year. The total value of money orders issued increased from \$853,443,891 to \$868,669,133, or 1.78%.

The gross revenue from money order fees increased from \$7,390,023 to \$7,554,101, or 2.22%.

As the Department is required to keep paid money orders for six years, particulars of payment of over 300,000,000 money orders are available from the files. Applications for duplicates of 46,439 money orders were received during the year. In 28,642 cases it was found that the original money order had been paid. Duplicates were issued in 17,797 cases.

Notched money orders were sold at 8,468 accounting post offices. The denominative money order for domestic remittances under \$16 is sold at these offices and also at 2,310 non-accounting post offices.

The number of money orders issued in Canada for payment in foreign countries during the year was 2,499,758, an increase of 5.00% over the previous year when 2,380,760 were issued. The total value of these money orders rose from \$27,470,837 to \$28,084,576 an increase of 2.23%.

Foreign remittances payable in Canada increased in number from 264,493 to 271,580, or 2.68%. The total value of these orders increased from \$5,026,970 to \$5,250,922, or 4.46%.

The United States, United Kingdom, Republic of Ireland and certain Commonwealth countries accept Canadian money orders on a domestic basis. It is anticipated that the use of the domestic system will be extended to other countries.

## **postage stamps**

Significant events were marked by the following five commemorative stamps issued during the fiscal year. All were of the five cent denomination.

Date	Subject	Colour	Quantity Printed
April 2, 1959	10th Anniversary of the North Atlantic Treaty Organization	Blue	32,000,000
May 13, 1959	Associated Country Women of the World	Green and Black	32,000,000
June 18, 1959	Visit to Canada of Her Majesty, Queen Elizabeth II and Prince Philip	Red	40,000,000
June 26, 1959	Opening of the St. Lawrence Seaway (Joint issue with the United States)	Red, White and Blue	40,000,000
Sept. 10, 1959	300th Anniversary of the Battle of the Plains of Abraham	Red and Green	30,000,000

The designers of these stamps in the order listed above were Canadian artists Philip Weiss, Ottawa, Helen Fitzgerald, Toronto, The Canadian Bank Note Company Limited, based on a portrait of Her Majesty by the Italian artist Pietro Annigoni, a group of Canadian and American artists including A. L. Pollock, Toronto, and Gerald Trottier, Ottawa.

A new item was introduced for sale to the public. It takes the form of a souvenir card entitled "Canadian History in Postage Stamps". Postage stamps are affixed to this card and a brief description of the subject illustrated on the stamps is printed on the card. The card sells for fifty cents. A trial printing of 50,000 of these cards received wide popular acceptance. A second printing of 100,000 cards, as Series 2, went on sale in January, 1960. Indications are that this series will be sold within a few months and it is planned to issue a third series.

The cards were primarily designed for sale at exhibitions and other points where tourists formed a large part of the market. The demand was so great at these points that it was decided to place the cards on sale at other post offices.

The following table gives the revenue received from philatelic orders sold to stamp collectors during the past five years:

Year	Number of Orders	Revenue
1955-56.....	30,254	\$307,042.00
1956-57.....	24,780	315,130.00
1957-58.....	35,488	381,831.32
1958-59.....	48,786	388,238.37
1959-60.....	39,078	336,114.29

The sales of the NATO stamp, issued 2nd April, were reflected largely in the prior year's revenue. Seven other issues were placed on sale in that year and the comparative sales of the four special issues during the current year reflect an increasing interest in Canadian postage stamps by philatelists.

First Day Covers serviced by the Postmaster, Ottawa, totalled 375,129 during 1958-59 for seven issues, or an average of 53,590 per issue. The total during 1959-60 was 414,936 covers or an average of 82,987 covers per issue.

### **procedure control**

This Division provides assistance in the planning and simplification of financial procedure within the Financial Branch and in post offices.

Planning for the use of an electronic calculator for the issue of salary warrants was nearing completion at the end of the year and "Twice-a-month" payments to postmasters should commence in the new year.

A trial program for processing requisitions for postal values from postmasters of non-accounting post offices was successfully completed. This new method, which will be introduced throughout Canada, will permit these postmasters to requisition less frequently and provide greater security for public funds.

Planning for reduction in the number of times each month that postmasters must prepare accounts has been completed. Aside from a saving of work in post offices, there will be a reduction in audit costs at Headquarters. The reduction in the number of cash accounting terms has become effective 1st April, 1960.

A new "one-write" method for handling philatelic accounts was instituted during the year. This method, which permits completion of a receipt, entry in a patron's deposit account ledger card and entry in a journal voucher in one writing, has enabled the Department to process a substantial increase in philatelic deposit accounts without an increase in clerical staff.

In order to facilitate the manufacture and supply, as well as to simplify the provision of funds for the manufacture of each type of postal value, a revised system of controls has been introduced. This will make it possible for the Department to control more accurately the fluctuations of issues and stocks on hand both at postage stamp depots and at the premises of the manufacturers.

Studies continue of possible methods of applying electronic data processing to the issue and the audit of postal money orders. These techniques will be synchronized to the fullest extent possible with new electronic accounting techniques being planned by the chartered banks. Our plans are largely dependent on the development of suitable automatic electronic readers being undertaken by a number of companies.

### **savings bank**

The establishment of the Post Office Savings Bank dates back to 1867. This public service is meant for small savings everywhere, the Bank providing ways and means of promoting thrift among people of low and medium income. Personal, joint, trust and other types of accounts are available at 1,500 of the 8,000 accounting post offices throughout Canada.

During the fiscal year, the number of depositors showed a slight increase. A relatively low rate of interest has induced a number of depositors, with substantial balances in their accounts, to withdraw their funds. One large trust account was withdrawn during the year, which accounts for most of the considerable decrease in the balance on deposit in the bank.

The policy to be followed in regard to the Post Office Savings Bank is under review, particularly at the 3,500 or more accounting post office points where no other form of bank service is available.

# Operations Branch

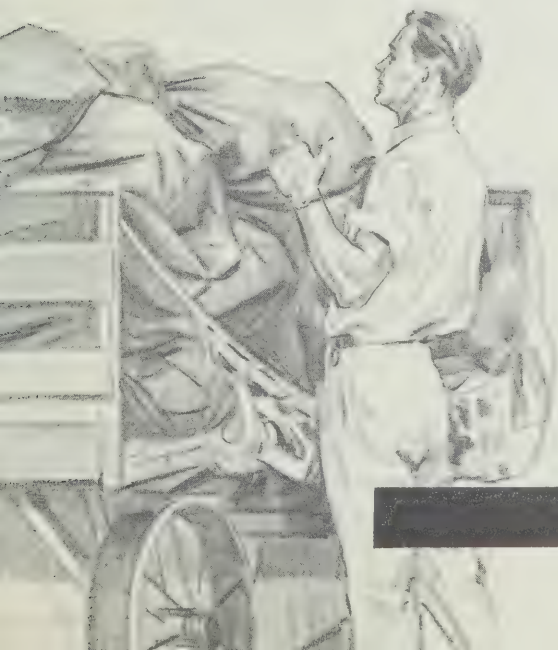
The basic purpose of the Post Office Department is to handle mail between Canadians and their correspondents at home and abroad. Directly concerned with providing efficient service to the public, through thousands of post offices across Canada, is the Operations Branch.

Functions which fall within the scope of the Operations Branch are enquiries, postal service, procedures and examinations, revenue post offices, staff post offices and timestudy and methods.

## **enquiries**

The volume of complaints is an indication of the quality of service the Post Office is giving. It is, therefore, important that all complaints be recorded, and statistics compiled according to the type of service failure and the post office concerned. These records provide a basis for continuing study and follow-up on effective remedial action.

Every report of delay or loss of mail or service failure of any kind is investigated. Local complaints are handled





within each postal district under a decentralized procedure and many cases are closed without reference to Headquarters. However, the Enquiries Division receives monthly reports as to the number and nature of the cases dealt with locally, and it periodically reviews the pertinent files to ensure that adequate action is being taken to satisfy the patron and correct the trouble.

Records of the number and types of complaints occasionally serve to bring to light more serious irregularities, and the investigation of these has led to some prosecutions and convictions.

There were 393,322 enquiries received during the fiscal year ending March 31, 1960, as compared with 404,265 the previous year, and 414,332 the year before. Notwithstanding the increasing volume of mail handled, for the second consecutive year, the number of enquiries has dropped by more than 10,000 cases over the preceding year.

As shown in the statement of enquiries, in the appendix to this report, 13,020 claims for indemnity were paid, with a total outlay of \$158,691.67 as against 12,670 claims at a cost of \$140,388.57 paid last year.

The Department strives constantly to improve the service by better supervision, re-examination of procedures and mail handling, close review and analysis of files, and continuing checks on delays, missendings and errors in sortation. In the light of the increase in population served and the volume of mail handled, the number of complaints and enquiries, 101 for every million pieces handled, is not unreasonable.

### **postal service**

In keeping abreast of the vast expansion taking place in Canada, the Post Office Department has inaugurated letter carrier delivery service at Alma, P.Q., Stoney Creek, Ont., Georgetown, Ont., Whitby, Ont., and Elliot Lake, Ont. This represents an establishment of 29 new walks serving 13,523 calls.

In addition, 308 new letter carrier walks were added during the year in localities already receiving letter carrier service. A total of some 154,604 new calls including some 78,360 "fill in" calls has been added by these



services. Some 8,353 families were afforded service through group mail boxes, pending the eventual provision of letter carrier delivery when requirements have been met.

Two new postal stations were opened, one in Baie Comeau, P.Q. and one in Ottawa, to provide improved postal facilities for patrons in the areas concerned. A letter carrier depot was established in the West-End of Ottawa and one in the City of Montreal North.

During the year a new distributing office was established at Pointe-aux-Trembles, P.Q., this area formerly received letter carrier delivery service from Montreal. Under the new arrangement it now operates independently. Consequently, mail for this area does not have to be processed through the Montreal office.

Five hundred postage stamp vending machines were placed in operation during the year, making a total of 2,026 owned by the Department. Of these, 1,775 are located in 762 different communities. Of the remainder, 108 have been allocated and will be placed in service shortly; 90 are available to fill requests as received and the balance of 53 are required as replacements during maintenance and repair work. These machines which give full face value of stamps for the money deposited enable patrons to obtain stamps after office hours and also ease line-ups at the wickets.

An experiment was made in the Vancouver area in the use of a small, compact vehicle called a Mailmobile for door-to-door mail delivery in suburban areas. The results indicated that the testing of such vehicles in connection with letter carrier delivery service should be expanded to other parts of the country. Accordingly, 50 additional vehicles including fifteen developed by a Canadian manufacturer have been bought for trial at Montreal, Ottawa, Toronto, Winnipeg, Halifax and Vancouver.

### **procedures and examinations**

Several procedures were revised during the year, with a view to improving service.

For the convenience of residents of apartment buildings, arrangements have been made to permit delivery of mail requiring personal contact to individual apartments.

Involved are items such as registered, short paid, C.O.D. articles and items too large for mail boxes.

Experiments were conducted with a new procedure whereby patrons, not at home when delivery of a parcel is first attempted, are given the opportunity of having the item delivered on a second attempt subject to a fee of 25 cents. This experiment has been well received by the public and it is being established as a regular procedure.

A more direct exchange of registered mails between individual offices on highway services has been instituted to eliminate delays under the previous system whereby despatches were made to terminal offices.

Arrangements were made to permit firms using postage meter machines to pay postage due charges with meter impressions. This enables meter users to dispense with the troublesome petty cash which was required for the purchase of postage due stamps.

The composite type of distribution examination has been established for Grade 9 post offices with no letter carrier service, where employees need to be familiar with both local and forward distribution. This change has met with favour on the part of employees. Studies are continuing towards extension of this type of examinations in Grade 10 and 11 offices where the nature of the mail flow may warrant it.

In the past year, 12,387 written examinations and 8,413 distribution examinations were held. This is a total increase of 507 over the previous year. Few people realize the complexity of the distribution of mail—how letters and other items reach their destination. The effectiveness of the postal service is due in a great part to the rigid examinations which postal employees pass year after year. The high marks which most employees obtain on these annual tests is a credit to their devotion to duty and their desire to give the most efficient service.

### **revenue post offices**

During the fiscal year, 130 new post offices were established, 28 in rural areas, 97 sub post offices in cities and 5 summer offices to serve patrons in vacation areas. In addition, 28 revenue post offices were reclassified to semi-staff.

## **staff post office and estimates**

The number of employees in Staff Post Offices and District Offices increased by 841. This was due to the creation of two new offices, the introduction of letter carrier delivery in five centres not previously served, the extension of letter carrier delivery to new districts and the necessity of strengthening postal staffs to cope with a heavier workload, as indicated by larger mail volumes.

Forty-four supervisory positions in the Operating Service were regraded during the year. This was necessary to strengthen the supervision of certain units and to recognize increased responsibilities.

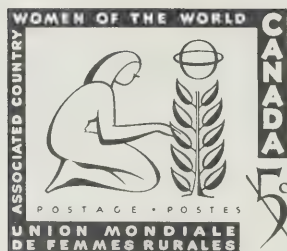
## **timestudy and methods**

During the last fiscal year, the Timestudy and Methods Program was extended to six additional large offices. These offices are Moncton, N.B., Saint John, N.B., London, Ont., Regina, Sask., Saskatoon, Sask., and Victoria, B.C. The program is now in various stages of development in fifteen of the major offices across the country.

In addition, a number of smaller offices have been surveyed and assistance given to the postmaster with regard to methods, staffing, layouts, etc. These projects have proven very worthwhile and as larger projects are completed, work will be expanded in this direction.

Substantial savings have been effected through the use of the program and, in a great many areas, there have been important improvements to the service. The sortation of British and Foreign mails to be despatched from Montreal was co-ordinated in the larger post offices. As a result, about 30,000 air mail items per day bypass the Montreal sortation system. This has meant a considerable reduction in handling costs and an appreciable quantity of this mail is advanced in despatch by a full 24 hours. Similar results have been obtained for surface mails.

More and more use is being made of the Timestudy and Methods plan and it is evident that it is providing the Department with a most effective means of cost control.



The female figure kneeling beside a tree over which is poised the globe, symbolizes the growth of individual organizations of country women throughout the world.

Canadians have a particular interest in the "Associated Country Women of the World", as the idea of the Women's Institute was conceived in 1897 by Mrs. Adelaide Hoodless of Hamilton, the first Institute coming into being at Stoney Creek, Ontario.

Printed in green and black on a white ground and designed by Helen Fitzgerald of Toronto, the stamp was issued in May 13th, 1959.



This stamp was issued on April 2nd, 1959, as part of the ceremonies marking the 10th Anniversary of the North Atlantic Treaty Organization.

Designed to illustrate the work of NATO, the stamp contains in the upper left-hand corner, the dove of peace with an olive branch in its beak. In the left-hand margin appear the initials 'N.A.T.O.' and in the right margin, the French 'O.T.A.N.' The centre of the stamp depicts the globe of the world showing the area in which the N.A.T.O. member countries are located. The stamp, designed by Philip Weiss of Ottawa, is printed in blue on a white background.

# Personnel Branch

The Post Office Department continues to give high priority to the training and development of supervisory staff at all levels. Following the third biennial appraisal of all management staff in the previous fiscal year, the Personnel Branch encouraged and co-ordinated various types of special assignments for development purposes. Although volume is not the most significant measure of effectiveness in the area of supervisory development, there is some interest in noting that during the last two years, 740 supervisors at various levels were involved in some type of special training, including 42 who had temporary assignments at other locations.

In the area of group training of supervisors, the Branch developed a new program called "The Development of Management Skills" and the first group participated on a full-time basis for a two-week period. This group consisted of middle management personnel, partly from Headquarters and partly from the Field. This is an advanced program using the case method and role playing techniques.

In the field of written communication, additional progress was made by extending the course in report writing to the Field and the enrolment of additional postmasters





and other members of the staff at scattered points in our correspondence course in letter and report writing.

A program of junior clerical training was instituted at Headquarters in order to give more attention to new junior members of the staff through job rotation, broad instruction regarding the Department as a whole and suitable placement following assessment of performance. A major task was completed in the modernization of the system of staff records. Plans were also completed to give adequate publicity to the Government's new Surgical-Medical Insurance Plan, the cost of which it is sharing with its employees.

One measure of satisfactory staff relations is the rate of turnover. Separations in the Postal Service continue at a level substantially below that of the Civil Service as a whole. The rate for this fiscal year was 8%.



# Transportation Branch

One of the elements which make up the Postal Service from an operating point of view is the transportation of mail. Postal service on the present scale would be completely impossible were it not for the vast system of transportation services which moves the mail on land, on water and in the air.

## **air mail service**

During the fiscal year 1959-60, the volume of mail conveyed by air within Canada and between Canada and the United States continued to increase.

Air Mail was carried on all flights of Trans-Canada Air Lines that could be used to advantage. In December 1959, for the first time, the volume of mail carried on domestic and trans-border flights exceeded one million ton-miles.

Supplementary air mail service for conveyance of first class mail and air parcel post in populated areas, as well as service for all classes of mail to isolated communities, was provided by 27 regional air carriers operating within Canada.



Three new services were authorized as follows:

(a) FORT CHURCHILL, MANITOBA—RANKIN INLET, N.W.T.

Providing service to Rankin Inlet, an important mining area.

(b) YELLOWKNIFE, N.W.T.—DISCOVERY, N.W.T.  
Also an important mining area.

(c) YELLOWKNIFE, N.W.T.—CAMBRIDGE BAY, N.W.T.

Serving an area that is important in the development of the Canadian North.

The Department took advantage of every opportunity to despatch mail to isolated areas via additional commercial flights, flights chartered by other Government Departments, and aircraft operated by Government agencies such as the R.C.M.P.

The following air mail services, which operated during the winter months only, were discontinued due to the construction of highways and the establishment of surface transportation:

(a) Prince Rupert, B.C.—Aiyansh, B.C.

(b) Matane, P.Q.—Franquelin, P.Q.

This trend is expected to continue to a limited extent as new highways are constructed under provincial road building programs.

### **city services**

The demand for city mail transportation services has steadily increased as urban development throughout the country has continued its rapid expansion. While there has been a general increase in mail volumes handled, this has been particularly true in the case of parcel post, due in part to an increase in railway express rates.

During the past year, the Department has implemented new and improved standards of service to the public and methods of payment for contractors in a number of the larger cities. These have been found to be most satisfactory. Introduction of these new systems in other cities will be made during the coming year.

Cost of mail transportation facilities in cities and towns during the fiscal year was \$9,673,204. This included the

delivery of 29,830,184 parcels and 8,008,216 letter carrier bundles by motor vehicle at an average cost of 11.5 cents per item, as compared with a total of 35,398,524 articles conveyed at an average cost of 10.9 cents per item for the 1958-59 fiscal year.

### **highway services**

The railway companies have continued to withdraw passenger trains from service or have converted to the use of equipment unsuitable for the conveyance of mail. This, in addition to continued pressure from the public for improved service, has resulted in a steady growth in the network of highway services.

Two major revisions in service in the past fiscal year took place in Ontario and Saskatchewan.

In Ontario, because of the Canadian National Railways converting to rail-diesel car equipment, it was necessary to replace all mail service by train to the Bruce Peninsula. The resulting changeover to highway service has meant a considerable improvement in the mail service throughout the whole area, at a lower cost.

In Saskatchewan, the Canadian National Railways reduced train frequency on the route between Regina, Yorkton, Canora and Swan River in Manitoba. It was thus necessary to institute highway services to replace the train service in its entirety. Again the Department was successful in bringing about a great improvement in mail service.

Other changes and revisions were made in various services throughout the country as required and in doing so it was possible to carry out further improvements.

The rising cost of operating highway services can be accounted for by requirements for larger and more expensive equipment as a result of increased mail volumes, the continuing rise in labour costs, plus an increase in the number of services.

### **land mail service**

During the year, 89 new rural routes were established, 30 of which are in the Province of Nova Scotia. Thirty-six routes were either withdrawn or amalgamated with other

routes making a net increase in the number of routes of 53. There are now 5,575 such services in operation across the country, serving 616,800 householders.

In addition, 1,006 extensions were authorized to existing rural routes.

Rural mail delivery by means of group mail box units continued to expand. There are now 6,273 group box units serving approximately 60,000 householders, an increase of 30% during the year.

The number of side services was decreased by 408 during the year because of changes from rail to highway services. Stage services decreased by 83.

### **railway mail service**

Railway post offices manned by railway mail clerks are in operation on principal trains throughout Canada. Closely allied with railway post offices are baggage car services in which direct mails, prepared by post offices or railway post offices, are exchanged at points on the route. These services operate in conjunction with highway services, ensuring continuity of the forward despatch.

Research into the transportation of mail by railway, in line with the policy to provide more efficient and economical use of authorized space, is being continued.

Arrangements were made with the Canadian Pacific Railway to provide better facilities for the loading of surface mail destined for Western Canada at Montreal and Toronto. In addition to effecting economy the new arrangement, which went into effect on the 1st June, 1959, resulted in an improved handling and movement of mail into Winnipeg and other western points on the main line of the Canadian Pacific Railway.

Due to the abandoning and consolidation of certain trains, the changing of equipment or the reduction of frequency of service, a considerable number of railway post offices and baggage car services were superseded by highway vehicular services.

### **water mail service**

Mail conveyance by water forms an important part of mail transportation in Canada. Domestic routes operate

in coastal areas, particularly in Newfoundland and British Columbia. They also operate on inland lakes and the St. Lawrence River. In most cases, these water mail routes provide service to points that are not served by other means of transportation.

The following statement will reflect the changes which took place during the fiscal year:

### AIR MAIL STATISTICS

Service	1958-59		1959-60	
	Mail Carried	Cost	Mail Carried	Cost
		\$		\$
TCA Domestic....	8,552,652 ton miles	6,830,000	9,029,375 ton miles	6,900,000
TCA International..	1,160,150 pounds	3,067,423	1,160,222 pounds	3,041,925
CPA Domestic....	743,937 ton miles	1,311,167	530,967 ton miles	1,121,683
CPA International..	218,850 pounds	731,914	280,721 pounds	705,272
Others.....	441,634 ton miles	1,115,309	806,233	1,507,304
		13,055,813		13,276,184

### CITY SERVICE STATISTICS

	1958-59		1959-60	
	No. of Services	Cost	No. of Services	Cost
		\$		\$
Parcel Post Delivery....	148	3,873,591	151	4,341,542
Street Collections.....	298	1,983,428	307	2,215,573
Conveyance of Letter Carriers.....	144	708,181	153	782,593
Other City Services.....	216	2,053,225	209	2,333,496
	806	8,618,425	820	9,673,204

## HIGHWAY SERVICE STATISTICS

—	No. of Services	Cost	Increase
		\$	\$
1958-59.....	330	3,228,412	.....
1959-60.....	341	3,634,642	406,230

## LAND MAIL SERVICES STATISTICS

Class	No. of Services		Cost 1959-60	Cost 1958-59
	1958-59	1959-60		
			\$	\$
Rural Routes.....	5,521	5,575	9,335,627	9,553,936
Side Services.....	2,927	2,519	1,730,186	1,586,811
Stage Services.....	2,090	2,007	2,043,617	2,130,068
TOTALS.....	10,538	10,101	13,109,430	13,270,815

## RAILWAY MAIL STATISTICS

—	1958-59	1959-60
Railway Post Offices in operation...	96	78
Baggage Car Services.....	460	382
Number of Railway Mail Clerks....	792	781
Miles Travelled by Railway Mail Clerks.....	37,033,339	34,525,080
Cost of Mail Service by Railway....	\$15,057,492	\$16,634,716

## WATER SERVICE STATISTICS

	1958-59	1959-60
Number of Domestic Water Routes...	55	52
Cost of Domestic Water Service.....	\$ 1,055,113	\$ 1,281,809
Cost of International Water Service...	\$ 1,404,745	\$ 1,451,350
Top Wharfage.....	\$ 55,082	\$ 56,609
Total Cost—Mail Service by Water....	\$ 2,514,940	\$ 2,789,768



Overseas surface mails are despatched to trans-Atlantic and trans-Pacific destinations by passenger and semi-passenger vessels.

### **eastern arctic**

Postal service to the Arctic continues to be an important factor in the development of Northern Canada.

In the Eastern Arctic Patrol category, 14 post offices and 10 non-post office points received a total of 51,550 pounds of mail as compared with 34,933 pounds for the previous year.

The bulk of the mail destined to Eastern Arctic points was carried to destination by way of air stage services and courtesy flights performed by the Royal Canadian Air Force, Royal Canadian Mounted Police and other agencies. The popular "Christmas Drop" was again conducted by the Royal Canadian Air Force and upwards of 6,000 pounds of mail was delivered through this service.

# CANADA POST OFFICE EMPLOYEES



Postal Clerks (grades 1 and 2) . . . . . 8807



Letter Carriers and Supervisory Letter Carriers. . . . . 7360



Technical Staff  
(Engineer, Technical Officer, Maintenance Craftsman) . . . . 111



Postal Officers (grades 1 to 9) . . . . . 1914



Mail Handlers . . . . . 1801



District Directors, Area Superintendents, Staff Postmasters . . . 398



Railway Mail Clerks . . . . . 810



Despatchers . . . . . 346

Office Staffs (Clerks 1, 2, 3, 4, Stenographers, Typists) . . . . . 513

Regular Part-time Employees . . . . . 2,485

Miscellaneous . . . . . 80

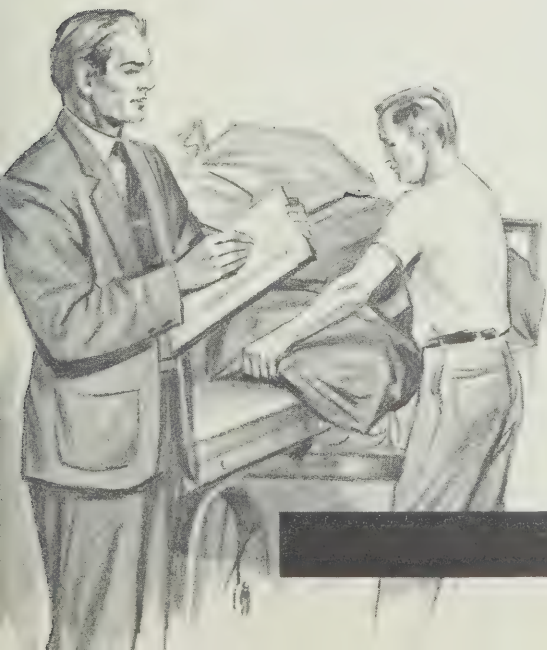
# Public Relations

To maintain the high degree of public co-operation necessary for effective operation, the Post Office Department maintains a small Public Relations staff at Headquarters as well as a Field staff of public relations officers attached to the larger post offices and district offices.

The Public Relations Division at Headquarters arranges the Department's advertising and publicity campaigns, including a major programme designed to encourage Canadians to mail early at Christmas. In 1959, of all articles posted during the Christmas period, approximately 85% were posted before the suggested deadlines, permitting the Post Office to complete delivery before Christmas in the large majority of cases.

Publications, information booklets, lobby and truck posters designed to assist the public in using the mails effectively were produced by the Division. News releases explaining changes and improvements in the service, and the introduction of new equipment were distributed to the press, radio and television outlets.

Two new projects were initiated to create interest in Canada's commemorative postage stamps. A pamphlet, designed for high school students, describing com-



memorative issues and relating the history of the event being commemorated, was prepared. The pamphlet contained a short biography of the artist and a description of the stamp. It was primarily designed as an aid to school teachers and was distributed in co-operation with provincial departments of education.

Another new programme, designed to increase the knowledge of Canada among foreign countries, was the distribution of first day covers of new commemorative stamp issues through Canadian posts abroad. The covers, containing a letter signed by the Postmaster General, are addressed to prominent persons in countries where Canadian posts are located. The Postmaster General's letter describes the historical background of the commemorative issue. The letter is translated into eleven different languages and is distributed to fifty-four countries.

Field public relations officers call on business firms to help solve mailing problems. They address service clubs, school meetings and any other group with an interest in the operations of the postal service. In addition to these duties, field officers are responsible for local Post Office publicity.

On the 1st December, 1959, the Public Relations Division, formerly a part of the Administration Branch, was attached to the office of the Deputy Postmaster General.

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# STATEMENT OF REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease*
	1958-59	1959-60	
	\$	\$	\$
<b>Postage Receipts:</b>			
From the sale of Postage Stamps.....	82,008,654.85	83,961,344.65	1,952,689.
From the sale of Meter and Register Impressions.....	71,985,008.62	78,383,953.73	6,398,945.
<b>In Cash:</b>			
First Class Matter.....	2,103,020.79	2,181,320.40	78,299.
Second Class Matter (newspapers and periodicals)....	6,189,125.44	6,558,630.91	369,505.
Third Class Matter (books, catalogues, circulars and other printed matter).....	7,407,938.42	8,656,771.86	1,248,833.
Fourth Class Matter (catalogues mailed from zone centres at parcel post rates, and samples of mer- chandise mailed under special permit).....	234,986.65	162,607.23	72,379.
<b>TOTAL POSTAGE RECEIPTS.....</b>	<b>169,928,734.77</b>	<b>179,904,628.78</b>	<b>9,975,894.</b>
Rental of Post Office Boxes.....	1,798,092.00	1,894,680.97	96,588.
Fees on Postal Money Orders.....	7,390,023.14	7,554,101.92	164,078.
Commission collected from foreign countries on foreign money orders payable in Canada.....	2,137.85	2,654.67	516.
Profit in Exchange on postal transactions with other countries.....	192,958.37	278,183.50	85,225.
Credits on parcels received from foreign countries for delivery in Canada.....	1,741,681.09	1,450,921.99	290,759.
Credits for the transit of foreign Air Mail in Canada and other transit charges.....	1,290,195.89	1,389,111.60	98,915.
Sale of Rural Mail Boxes.....	73,736.00	82,484.00	8,748.
<b>Miscellaneous Revenue:</b>			
From the Unemployment Insurance Commission for distributing and selling Unemployment Insurance stamps and meter impressions.....	743,981.49	884,555.91	140,574.
From the Department of Labour for collecting Government Annuity Premiums.....	71,852.94	76,632.83	4,779.
Sundry Revenue Items.....	57,582.80	75,060.05	17,477.
<b>TOTAL REVENUE RECEIPTS.....</b>	<b>183,290,976.34</b>	<b>193,593,016.22</b>	<b>10,302,039.</b>
<b>Other Receipts:</b>			
Return on Investments.....	10,953.62	2,161.60	8,792.
Proceeds from Sales.....	29,081.60	30,096.36	1,014.
Refund of previous years' Expenditure and from Appropriation.....	44,597.01	19,648.45	24,948.
Miscellaneous.....	4,900.10	14,792.29	9,892.
<b>TOTAL OTHER RECEIPTS.....</b>	<b>89,532.33</b>	<b>66,698.70</b>	<b>22,833.</b>



# STATEMENT OF DISBURSEMENTS FROM REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease*
	1958-59	1959-60	
	\$	\$	\$
aries and Allowances paid to:			
Revenue Post Offices.....	8,856,473.33	8,746,923.54	109,549.79*
Semi-Staff Post Offices.....	10,556,031.83	10,828,481.68	272,449.85
Sub Post Offices.....	2,368,549.88	2,477,933.95	109,384.07
Discount allowed to vendors of postage supplies.....	51,250.50	50,022.86	1,227.64*
Compensation paid to messengers for special delivery of letters and parcels.....	479,508.65	675,521.60	196,012.95
Losses by fire, theft, forgery, etc.....	138,570.79	295,130.23 <sup>1</sup>	156,559.44
Commission paid to foreign countries on Canadian money orders payable in those countries.....	36,294.00	38,523.59	2,229.59
Charges on parcels mailed in Canada for delivery in foreign countries.....	1,947,767.50	1,572,643.72	375,123.78*
Charges for the transit of Canadian mail through foreign countries and on Canadian air mail carried to or through foreign countries.....	1,175,337.85	1,186,789.21	11,451.36
Indemnities paid in respect of lost, insured and C.O.D. parcels and registered articles.....	140,388.57	158,691.67	18,303.10
TOTAL DISBURSEMENTS FROM REVENUE RECEIPTS.....	25,750,172.90	26,030,662.05	280,489.15

<sup>1</sup>Of this amount, \$256,282.20 represents postage supplies stolen, which in most cases never would be used.  
The balance of \$38,848.03 represents actual loss of funds.

# STATEMENT OF DISBURSEMENTS FROM PARLIAMENTARY APPROPRIATION DURING 1959-60

Classification of Expenditure	Administration		Operations		Transportation		Financial Services		Total	
	\$	17,000.00*	\$		\$		\$		\$	
Postmaster General Salary and Motor Car Allowance.....		17,000.00*							17,000.00	
Miscellaneous Gratuities.....		600.00*							600.00	
Salaries—Headquarters.....		1,300,068.15							4,252,332.64	
Salaries—Outside Services.....				986,093.23		455,194.72		1,510,976.54	88,444,437.60	
Night Differential.....				88,444,437.60					1,322,147.34	
Overtime Payment to Operating Services.....				1,322,147.34					4,235,958.78	
Terminable Northern and Other Allowances.....				4,235,958.78					69,562.35	
Mileage Allowances.....				69,562.35					517,876.21	
Boot Allowances.....				517,876.21					317,907.54	
Professional and Special Services.....		6,904.11		3,990.89					10,895.00	
Security Transfer and Night Depository.....						7,951.43		19,707.87	19,707.87	
Travel and Removal Expenses.....		43,788.29		341,030.96				726.57	393,497.25	
Freight, Express and Cartage.....		6,002.79		83,966.17					89,968.96	
Telephones and Telegrams.....		4,162.40		143,974.50		248.25		804.41	149,189.56	
Publication of Departmental Reports and Other Material.....		65,763.12		55,320.05				7,140.56	128,223.73	
Exhibits, Advertising, Films, etc.....		246,205.65							246,205.65	
Office Stationery, Supplies and Equipment.....		44,252.74		557,233.90		5,316.74		37,816.36	644,619.74	
Rental of Accounting Machines.....								63,830.11	63,830.11	
Mail Bags.....				734,387.22					734,387.22	
Uniforms and Letter Carrier Satchels.....				701,075.34					701,075.34	
Materials and Supplies.....				618,169.42					618,169.42	
Money Order Forms.....									163,156.59	
Manufacture of Postage Stamps and Supplies.....									1,033,462.48	
Postage Meter and Register Supplies.....								43,983.94	43,983.94	
Rentals of Storage Space.....									3,091.66	
Acquisition of Equipment.....				1,803,876.24					1,803,876.24	
Rural Mail Delivery Boxes.....						54,785.73			54,785.73	
Repairs and Upkeep of Equipment.....		184.62		204,492.20					204,676.82	
Rentals of Equipment.....				88,586.91					88,586.91	
School Fees and Public Utilities.....				6,790.55					6,790.55	
Canada's Share of Upkeep of International Bureaux.....		17,156.00							17,156.00	
Unemployment Insurance Contributions.....				105,135.66					105,135.66	
Sundries.....		5,082.19		5,613.76					10,715.95	
Mail Service by Railway.....						20.00			16,634,716.45	
Mail Service by Land including Rural Mail Delivery.....									26,578,660.55	
Mail Service by Air.....									13,276,183.78	
Mail Service by Water.....						2,789,767.95			2,789,767.95	
TOTALS.....	1,757,170.06		101,350,718.48		59,802,845.60		2,881,605.43		165,792,339.57	

\*Statutory

# COMPARATIVE STATEMENT OF REVENUE AND DISBURSEMENT FISCAL YEARS ENDED IN 1951 TO 1960

Fiscal Year Ended March 31st	Receipts	Disbursements			Deficit	Surplus
		From Receipts	From Parliamentary Appropriation	Total		
	\$	\$	\$	\$	\$	\$
1951.....	105,545,456.59	15,090,778.73	91,781,466.37	106,872,245.10	1,326,788.51	.....
1952.....	122,278,760.89	17,656,552.74	97,973,263.29	115,629,816.03	.....	6,648,944.86
1953.....	129,388,364.70	17,364,120.53	105,553,190.86	122,917,311.39	.....	6,471,053.31
1954.....	129,889,325.88	18,781,841.94	113,581,752.52	132,363,594.46	2,474,268.58	.....
1955.....	151,717,273.77	20,402,224.03	123,611,055.02	144,013,279.05	.....	7,703,994.72
1956.....	158,568,356.49	20,871,734.67	127,421,739.45	148,293,474.12	.....	10,274,882.37
1957.....	167,879,869.06	22,056,083.98	139,992,921.28	162,049,005.26	.....	5,830,863.80
1958.....	177,492,783.20	24,572,901.59	153,319,782.83	177,892,684.42	399,901.22	.....
1959.....	183,380,508.67	25,750,172.90	157,803,478.41	183,553,651.31	173,142.64	.....
1960.....	193,659,714.92	26,030,662.05	165,792,339.57	191,823,001.62	.....	1,836,713.30

NOTE: Lands, buildings and furnishings are provided and paid for by the Department of Public Works, and consequently such, charges are not included in the above disbursements.

Neither does the above statement reflect any revenue that might properly accrue to the Department through the Franking Privilege covering Parliamentary and Government mail or other special services provided by the Post Office Department for other Government Departments and agencies free of charge.

The Franking Privilege alone is estimated to involve a loss in excess of \$6,250,000.00 annually to the Department.

# GENERAL OPERATIONS OF THE MONEY ORDER SYSTEM IN CANADA FOR THE PAST FIVE YEARS

Year	Number of Issuing Offices	Number of Money Orders Issued			Value of Money Orders Issued			Average Value per Order	Gross Revenue from Fees	Average Fee per Order
		Payable in Canada	Payable in other Countries	TOTAL	Payable in Canada	Payable in other Countries	TOTAL			
		\$	\$		\$	\$		\$	\$	cts.
1956										
N.....	8,004	13,708,812	1,941,109	15,649,921	493,872,312	21,700,086	515,572,399	32 94	2,878,239	60
D.....	11,099	33,431,161	.....	33,431,161	210,358,333	.....	210,358,333	6 29	3,705,027	49
TOTAL.....		47,139,973	1,941,109	49,081,082	704,230,646	21,700,086	725,930,732	14 79	6,583,267	09
1957										
N.....	8,080	14,869,121	2,396,087	17,265,208	553,449,546	26,906,760	580,356,307	33 61	3,197,075	25
D.....	11,022	33,917,088	.....	33,917,088	219,258,696	.....	219,258,696	6 46	3,792,334	74
TOTAL.....		48,786,209	2,396,087	51,182,296	772,708,243	26,906,760	799,615,004	15 62	6,989,409	99
1958										
N.....	8,136	16,038,348	2,316,811	18,355,159	594,162,454	27,314,146	621,476,601	33 86	3,406,605	62
D.....	10,934	34,543,795	.....	34,543,795	224,170,837	.....	224,170,837	6 49	3,874,199	66
TOTAL.....		50,582,143	2,316,811	52,898,954	818,333,292	27,314,146	845,647,439	15 99	7,280,805	28
1959										
N.....	8,223	16,275,637	2,380,760	18,656,397	597,732,602	27,470,837	625,203,439	33 51	3,445,979	60
D.....	10,823	35,089,653	.....	35,089,653	228,240,451	.....	228,240,451	6 50	3,944,043	54
TOTAL.....		51,365,290	2,380,760	53,746,050	825,973,053	27,470,837	853,443,891	15 88	7,390,023	14
1960										
N.....	8,468	16,637,881	2,499,758	19,137,639	606,373,688	28,084,576	634,458,264	33 15	3,520,614	36
D.....	10,778	35,815,448	.....	35,815,448	234,210,868	.....	234,210,868	6 54	4,033,487	56
TOTAL.....		52,453,329	2,499,758	54,953,087	840,584,556	28,084,576	868,669,133	15 81	7,554,101	92

N—Notched Money Orders      D—Denominative Money Orders

Name of Country	Issued in Canada			Payable in Canada		
	Number		Amounts	Number		Amounts
	1958-1959	1959-1960		1958-1959	1959-1960	
Antigua.....	278	284	\$ 2,698.66	5	22	\$ 58.04
Australia.....	2,338	2,508	30,132.43	3,296	3,069	27,284.57
Austria.....	3,995	4,188	98,597.83	110	308	24,268.62
Bahamas.....	229	4,303	3,977.24	68	508	5,075.15
Barbados.....	2,719	2,699	37,563.44	57	94	1,595.58
Belgium.....	5,008	4,974	111,149.97	3,384	3,702	126,974.13
Bermuda.....	711	2,181	10,833.72	143	105	140,918.21
British Guiana.....	1,881	2,818	29,788.26	30	18	3,164.19
British Honduras.....	104	1,130	2,540.47	62	98	89.94
Denmark.....	2,298	2,359	59,179.41	393	467	396.86
Dominica.....	106	54	1,040.70	4	4	8,881.47
Fiji(a).....	65	91	1,241.86	4	4	41.90
France.....	19,958	21,923	318,546.91	1,441	1,404	44,406.65
German Federal Republic.....	45,664	43,473	1,120,290.02	5,211	6,665	42,892.67
Great Britain and Northern Ireland(b).....	400,507	443,884	4,732,797.22	12,321	14,546	265,590.47
Grenada.....	158	175	1,327.21	14	13	167,102.30
Holland.....	27,143	27,754	387,481.47	1,722	1,787	130,256.27
Hong Kong.....	552	542	10,176.07	1	.....	206.66
Iceland.....	43	44	817.89	1	.....	34,924.39
Ireland (Republic).....	5,751	7,388	109,782.56	574	579	67
Italy.....	25,234	24,733	741,514.51	476	722	8.35
Jamaica.....	14,921	16,350	220,899.36	20	16	4,226.86
Japan.....	11,719	12,422	332,053.89	8	19	35,621.62
Malaya.....	187	201	3,221.51	3	5	23,904.78
Mexico.....	461	456	9,011.35	2	21	189.57
Montserrat.....	304	304	4,160.00	6	5	60.23
New Zealand.....	1,384	1,442	15,005.57	28	21	19.80
Norway.....	1,611	1,459	45,151.61	238	1	63.60
Poland.....	416	360	7,271.56	60	258	213.02
Rhodesia and Nyasaland (Federation) (c).....	1,030	1,069	24,574.26	1	1	995.31
St. Kitts Nevis.....	371	453	5,382.58	6	1	18.16
St. Lucia.....	371	453	5,382.58	6	1	4,821.54
St. Vincent.....	782	783	15,637.76	4	60	3,321.00
Saudi Arabia.....	82	78	9,187.94	17	16	35.00
Switzerland.....	1,548	1,513	35,383.02	147	159	315.93
Trinidad.....	2,371	2,397	54,259.60	878	997	325.14
United Kingdom.....	1,632	1,583	21,294.48	17	16	4,262.90
Union of South Africa.....	7,859	8,045	115,027.83	61	59	2,133.04
United States.....	1,785,340	1,856,389	18,661,305.89	233,686	236,191	536.26
Virgin Islands.....	17	13	18,850,202.75	24	18	4,480,728.43
Yugoslavia.....	3,346	3,509	76,384.60	.....	.....	565.45
	2,380,760	2,499,758	27,470,837.47	264,493	271,580	5,250,922.93

(a) Fiji—Orders from Fiji to Canada advised—via Great Britain since 19th September 1932.

(b) Great Britain and Northern Ireland—including British possessions and other countries using British Exchange facilities.

(c) Federation of Rhodesia and Nyasaland—Direct service effective 1st April 1958.

(d) Saar—Amalgamation with German Federal Republic, effective 1st July 1959.



# OPERATIONS OF THE POST OFFICE SAVINGS BANK FOR THE PAST TEN FISCAL YEARS

Year Ending 31st March	Balance on deposit beginning of Fiscal Year	Amount of Deposits	Interest Allowed to Depositors	Amount of Withdrawals	Balance on deposit end of Fiscal Year	Number of Accounts end of Fiscal Year	Average to credit of depositors end of Fiscal Year	Number of Post of Office Savings Banks 31st March
	\$	\$	\$	\$	\$		\$	
1951.....	38,754,633.80	10,368,265.52	733,893.07	12,194,871.84	37,661,920.55	278,595	135.18	1,531
1952.....	37,661,920.55	11,011,092.14	722,803.77	11,364,584.26	38,031,232.20	282,326	134.70	1,513
1953.....	38,031,232.20	11,521,742.93	741,954.38	10,972,699.97	39,322,229.54	287,468	136.79	1,512
1954.....	39,322,229.54	10,597,045.60	733,009.05	12,859,369.98	37,792,914.21	291,602	129.62	1,495
1955.....	37,792,914.21	9,402,227.13	713,078.63	11,127,553.80	36,780,666.17	293,840	125.17	1,457
1956.....	36,780,666.17	9,241,387.75	698,775.58	10,556,369.38	36,164,460.12	296,424	122.00	1,453
1957.....	36,164,460.12	9,663,773.62	753,112.07	10,662,846.82	35,918,498.99	298,700	120.25	1,440
1958.....	35,918,498.99	9,097,663.78	852,084.85	10,972,519.00	34,895,728.62	300,619	116.08	1,466
1959.....	34,895,728.62	8,611,890.27	820,954.60	10,172,956.18	34,155,617.31	302,349	112.97	1,477
1960.....	34,155,617.31	7,235,391.37	774,960.74	12,793,511.38	29,372,460.93	302,611	97.06	1,484



# STATEMENT OF POST OFFICE GUARANTEE FUND TRANSACTIONS

## ASSETS ON MARCH 31st, 1959:

Cash on deposit in Post Office Savings Bank.....	\$ 21,454.58
Bonds at cost adjusted for amortized premium and discount plus accrued interest.....	387,695.39
	<hr/> \$409,149.97

## ADDITIONS:

Interest on bonds.....	16,305.45
Interest on bank deposit.....	157.64
Collection of previous years' payments.....	1,512.50
	<hr/> 17,975.59

## DEDUCTIONS:

Twelve withdrawals to reimburse the Department for losses due to malfeasance on the part of Post Office employees.....	11,102.11
	<hr/> 427,125.56

## ASSETS ON MARCH 31st, 1960:

Cash on deposit in Post Office Savings Bank.....	4,191.85
Bonds at cost adjusted for amortized premium and discount, plus accrued interest.....	411,831.60
	<hr/> 416,023.45

## NUMBER OF POST OFFICES

Statement showing the number of Post Offices in operation on March 31st, 1959, the number of Post Offices established and the number of Post Offices closed during the year from April 1st, 1959, to March 31st, 1960 and the number in operation on March 31st, 1960.

Province	Number of Post Offices in operation on March 31, 1959	Number of Post Offices established from April 1, 1959, to March 31, 1960	Number of Post Offices closed from April 1, 1959 to March 31, 1960	Number of Post Offices in operation on March 31, 1960
Newfoundland.....	647	10	8	649
Prince Edward Island.....	104	—	—	104
Nova Scotia.....	1,031	1	68	964
New Brunswick.....	634	2	39	597
Quebec.....	2,405	39	41	2,403
Ontario.....	2,624	45	40	2,629
Manitoba.....	814	5	10	809
Saskatchewan.....	1,298	4	23	1,279
Alberta.....	1,089	18	25	1,082
British Columbia.....	932	15	25	922
Yukon.....	19	1	—	20
Northwest Territories.....	37	2	—	39
TOTAL.....	11,634	142	279	11,497

## INVESTIGATIONS 1959-60

TABLE I

No. of Cases carried from previous fiscal year	No. of Cases current fiscal year	No. of Employees Dismissed without pros.	No. of persons prosecuted	No. of Charges laid	No. of Charges With-drawn	No. of Acquittals	No. of Convictions	No. of Charges in Court
430	1,564	77	*348	813	28	21	606	158

\*Of these prosecutions, 54 were of Post Office personnel charged with theft, opening, delaying, secreting and abandoning of mail, misappropriations of public funds and other miscellaneous offences.

TABLE II

Offence	No. of Persons Prosecuted	No. of Charges laid	No. of With-drawals	No. of Acquittals	No. of Convictions	No. of Charges in Court
Theft of mail.....	85	116	6	3	101	6
Opening, Delaying and Secreting..	7	7	1	—	5	1
Financial Irregularities.....	5	8	—	—	7	1
Robberies.....	146	146	8	13	110	15
Receiving and Possession.....	26	26	3	—	20	3
Forgery and Uttering.....	40	441	4	4	305	128
Miscellaneous.....	39	69	6	1	58	4
TOTAL.....	348	813	28	21	606	158

ENQUIRIES DIVISION  
STATEMENT OF INDEMNITIES  
REGISTERED: INSURED: C.O.D. SERVICES  
FISCAL YEAR 1959-1960

1. REGISTERED

(a) Domestic mails

Number of indemnity claims paid.....	126
Amount of indemnity paid.....	\$2,302.54
Paid from Departmental Funds.....	\$2,106.17
Indemnity recovered.....	\$ 196.37

(b) International mails

Number of indemnity claims paid.....	199
Amount of indemnity paid.....	\$ 1,291.72
Paid from Departmental Funds.....	\$ 110.48
Indemnity recovered.....	\$1,181.24

2. INSURED

(a) Domestic mails

Number of indemnity claims paid.....	9,897
Amount of indemnity paid.....	\$137,182.09
Paid from Departmental Funds.....	\$131,446.41
Indemnity recovered.....	\$ 5,735.68

(b) International mails

Number of indemnity claims paid.....	112
Amount of indemnity paid.....	\$ 1,409.98
Paid from Departmental Funds.....	\$ 1,139.43
Indemnity recovered.....	\$ 270.55

3. C.O.D.

Number of indemnity claims paid.....	2,686
Amount of indemnity paid.....	\$ 27,948.06
Paid from Departmental Funds.....	\$ 23,889.18
Indemnity recovered.....	\$ 4,058.88

Total number of claims paid.....	13,020
Total indemnity paid.....	\$170,134.39
Total indemnity recovered.....	\$ 11,442.72

Paid from Departmental Funds..... \$158,691.67

HOUSEHOLDER DIRECTORIES—SALE  
AND DISTRIBUTION

(Years ended March 31, 1959 and 1960)

	1958-1959	1959-1960
Newfoundland.....	312	334
Prince Edward Island.....	97	107
Nova Scotia.....	335	387
New Brunswick.....	265	381
Quebec.....	1,330	1,612
Ontario.....	1,951	2,721
Manitoba.....	637	919
Saskatchewan.....	793	1,233
Alberta.....	1,138	1,230
British Columbia.....	689	832
Yukon.....	13	41
TOTALS.....	7,560	9,797

REPORTED REVENUE FROM SALE AND USE OF HOUSEHOLDER  
DIRECTORIES, HOUSEHOLDER NUMBER BOOKLETS AND  
LETTER CARRIER WALK LISTS

Sale of Householder Directories.....	\$ 12,414.00	\$ 15,065.50
Mailings from Householder Directories, Householder Number Booklets and Letter Carrier Walk Lists.....	5,737,784.66	5,935,174.17
TOTALS.....	5,750,198.66	5,950,239.67

UNDELIVERABLE MAIL OFFICE  
TRANSACTIONS 1959-1960

1. INTERNATIONAL MAIL MATTER

Of Foreign and Domestic origin undeliverable in Canada  
and Abroad

Foreign Origin.....	2,739,134
Canadian Origin.....	181,113

2. DOMESTIC MATTER

Undeliverable as addressed.....	9,574,430
	12,494,677

3. UNCLAIMED PARCELS

Of Canadian Origin undeliverable in Canada and Abroad....	62,319
---	--------

4. CASH STATEMENT

(a) Cash found in undeliverable mail.....	\$63,418.16
(i) Cash refunded.....	\$42,634.83
(ii) Cash unclaimed.....	\$20,783.33
(b) Revenue collected on returned undeliverable mail.....	\$25,311.08
(c) Proceeds of sale of unclaimed articles.....	\$ 7,118.47

PURCHASING AND STORES

The following expenditures were made during the fiscal year 1959-60

Freight, Express and Cartage.....	\$ 89,968.96
Publication of Departmental Reports and Other Material....	128,223.73
Householder Leaflets and Other Material.....	33,948.53
Office Stationery Supplies and Equipment.....	644,619.74
Portion of Rental of Storage Space.....	2,083.61
Mail Bags, Uniforms and Other Material and Supplies.....	2,053,631.98
Portion of Acquisition of Equipment.....	1,015,834.31
Rural Mail Delivery Boxes.....	54,785.73
Repairs and Upkeep of Equipment.....	197,876.87
Rental of Equipment.....	88,586.91
Sundry Operating and Administrative Materials.....	1,584.88
Postage Meter and Postage Register Supplies.....	43,983.94
Total for the year 1959-60.....	4,355,129.19
Total for the year 1958-59.....	4,157,612.66











Canada Post  
Postes Canada



# REPORT

*of the*

POSTMASTER GENERAL

*for the year ending*

MARCH 31-1961



Government  
Publication





**R E P O R T**

*of the*

**POSTMASTER GENERAL**

*for the year ending*

**M A R C H 31 - 1961**



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CANADA

OFFICE OF THE POSTMASTER GENERAL  
CABINET DU MINISTRE DES POSTES

*To His Excellency Major General  
Georges P. Vanier, D.S.O., M.C., L.L.B., L.L.D.,  
Governor General and Commander-in-Chief of Canada.*

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour to forward to Your Excellency the accompanying report of the Post Office Department of Canada for the year ended March 31, 1961, which is respectfully submitted.

I have the honour to be, Sir,

Your Excellency's Most Obedient Servant,

*Wm. Hamilton*

*Postmaster General.*

Post Office Department,  
Ottawa, 1st September 1961.



CANADA

DEPUTY POSTMASTER GENERAL  
SOUS-MINISTRE DES POSTES

Ottawa 1, Ontario

*To the Honourable William Hamilton, B.Sc. (Comm.), P.C., M.P.,  
Postmaster General of Canada.*

SIR

I have the honour to submit the Annual Report of the Post Office Department of Canada for the fiscal year ending March 31, 1961.

Once again, the volume of mail handled and the amount of revenue received during the year have established new records. Revenue from the handling of some 4,121,642,195 pieces of mail has reached \$201,951,673.38, an increase of \$8,358,657.16 over the total revenue of \$193,593,016.22 for the year ended March 31, 1960.

Despite this increase in revenue, the increased costs of operation, in addition to the increase in salaries granted to postal employees by Parliament in 1960, resulted in a deficit of costs over revenue amounting to \$4,726,058.49.

Increased transportation costs and other factors had brought the Department to the point where it was suffering a substantial loss on its parcel post operation. In order to reduce these losses, it was found necessary to increase parcel post rates for the first time since 1951. Nevertheless, in spite of this increase, parcel post remains the cheapest way of shipping parcels throughout Canada.

Major changes in mailing rates for newspapers and periodicals, new arrangements for handling 'short paid' cards and letters, increases in the limit of weight of parcel post, and new limits for indemnity for loss of registered articles were the major points discussed and agreed upon in a new Canada-United States Postal Convention which was scheduled to go into effect on July 1st, 1961.

As shown by the record revenue figures, the Department is continuing to experience an increasing demand for its services by the public. This has meant an intensification of the Department's efforts to improve service and to effect economies to offset the rising costs of operation which are beyond our control. This programme of better service linked with efficiency is particularly illustrated by advanced techniques of handling Christmas mail which last year gave an improved service and at the same time saved more than three-quarters of a million dollars.

Employees of the Department have continued to demonstrate a traditional sense of duty and efficiency in their work. To these men and women, I would like to extend a personal word of thanks and gratitude.

Respectfully submitted,

*Deputy Postmaster General*

ROGER DUHAMEL, F.R.S.C.  
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# THE POSTAL SERVICE OF CANADA

“Servire Populo—To Serve the People”, this motto explains the basic duty of the Post Office Department. Each year, millions of letters and parcels are deposited in the mails by Canadians from every walk of life, in post offices from Newfoundland to the west coast of Vancouver Island and from Pelee Island, Ontario, to the farthest settlements and missions well above the Arctic Circle. Every mailer, whether he is mailing on behalf of large business firms or sending a postcard to a friend, is entitled to the utmost in service and this is the aim of the Post Office Department.

To maintain the type of efficient service every Canadian has learned to expect from the Department, it has been necessary to establish some 11,400 post offices, each one linked by a network of rail, water, highway and air mail services. To operate these services efficiently and economically, the Post Office Department employs some 50,000 men and women. Each and every one of these employees possesses particular skills required to maintain an effective postal service.

As Canada grows, so does the need for faster and more economical means of handling the tremendous amount of mail that is processed through the nation's post offices. To cope with this situation, it has become necessary to look into mechanical means of mail handling. The most important and time-consuming of all mail handling operations has been the sorting of letters. Nearly all aspects of this work are now done by hand but the Department will shortly introduce mechanical equipment which automatically stacks, faces up and cancels each letter for sorting to its proper distribution. Many devices are being developed to cope with various postal operations and much credit for this contribution to better service must be given to Canadian engineers and designers.

In addition to providing mail delivery to the Canadian public, the Post Office Department provides many associated services. These include the sale of stamps and other articles of postage, registration of mail matter, insurance of parcels, accounting for C.O.D. articles, money order service and the Post Office banking service.

Since the Post Office Department facilities cover such a wide area of the country, it has been found convenient for other government departments to seek the assistance of post offices across the

country in carrying out their services. These services include the sale of unemployment insurance stamps, collection of government annuities payments, distribution of income tax forms and Civil Service employment application forms, and displays of posters issued by a number of departments.

# ADMINISTRATION BRANCH

The Director of Administration is responsible for the general administrative features of the Post Office Department. The administration of rate structures and regulations pertaining to the service are carefully controlled to ensure the proper use of federal funds. Co-operation with postal administrations of other countries is also a function of this Branch. Investigations and legal services also form part of the Administration Branch.



## **INTERNATIONAL MAILS**

The International Mails Division is responsible for all regulations relating to the exchange of mails with other countries and arrangements for the conveyance of these mails in accordance with the provisions of the Conventions of the Universal Postal Union and the Postal Union of the Americas and Spain, in which Canada holds membership. The Branch also administers the provisions of bilateral agreements concluded with certain other countries.

Active participation was continued in the work of the Executive and Liaison Committee of the Universal Postal Union in which Canada holds a Vice-Presidency. Studies were continued in the tasks entrusted to the Committee by the Universal Postal Union Congress of Ottawa in 1957. Representatives from Canada were in attendance at the meeting of May, 1960, of the above Committee and at Cairo in March, 1961, of the Sub-Committee on Air Mail.

Canada was also represented at the VIIIth Congress of the Postal Union of the Americas and Spain at Buenos Aires, Argentina. A new Postal Convention between Canada and the United States was signed to become effective on the 1st July, 1961. It will result in certain rate changes specially applicable to newspapers and periodicals. It also introduces new arrangements for the handling of "short paid" mail, an increase in the limits of weight for parcel post and a raise in the maximum indemnity payable for the loss of registered articles.

Through special agreements reached with various postal administrations overseas, it has been possible to initiate new services to these countries and has resulted in a vastly improved service, both in despatched and received mail. This is shown by the fact that both air mail and surface mail volumes have shown substantial increases. In view of the continued expansion in the air mail field, it has been necessary to pay particular attention to simplification and co-ordination of the clerical operations dealing with the control and accounting functions both at Headquarters and in the operating service. This has now been completed and is operating efficiently.

## **DOMESTIC MAILS**

During the fiscal year, it was found necessary to make an upward adjustment in the rates for domestic parcel post. The costs of operation of this service had gradually increased to the point where substantial financial losses were incurred and an increase in the rates was imperative. This marked the first increase in rates since 1951 for parcel post while, in the same period, the rates for parcels carried by various national express services have been increased on five different occasions.

The Post Office Department strives continuously to prevent increases in postal rates and, by modernizing equipment and adopting more efficient methods of operation, it has achieved considerable

success in this endeavour during the last few years. However, to eliminate deficits and to maintain in equilibrium the combined operations receipts and the total expenditures of operation, it was necessary to institute some increases in rates.

Comparatively few complaints concerning the new rates were received. This seems to indicate that the public generally considers the new rates adopted by the Department were justified.

Arrangements were also made during the year for the extension of the postage meter system to an additional 55 post offices. This brings the number of post offices using this mechanical method of prepaying postage to 1,101.

A table showing details of undeliverable mail office handlings appears in the appendix to this report.

## **INVESTIGATIONS**

The general upswing of crime across Canada during the year 1960-61 was reflected in the activities of this Division. In addition to the minor irregularities normally disposed of at district level, there were dealt with, through the Headquarters Investigations Division and its Field Staff, 2,149 cases of theft and other mail depredations, burglaries and robberies, forgeries of money orders, misappropriation of Post Office funds by postal employees and other offences affecting the Postal Service.

Despite the increase in the number of breaking and entering offences reported to the police throughout the country, Post Office burglaries dropped by almost 20 per cent from 392 cases last year to 315 and there were no losses of mail or funds in one-third of the cases. In addition, it is interesting to note that actual loss of cash and postal supplies from theft decreased to \$102,997 from the previous fiscal year's loss of \$190,375, a difference of \$87,378. This improvement over the previous year is attributable to the better security of buildings, continued improvement of protective equipment and more efficient methods of handling cash and postal values.

In an endeavour to cope with an increase in holdups and thefts from Post Office vehicles early in the year, a number of measures were recommended by a committee of senior officers, representing the branches at Headquarters concerned with security. As a result, although there were 16 incidents involving mail vehicles, compared to 14 the year before, there was no loss of mail or funds in nine of these cases compared to four the previous year.

During the fall of 1960, there was a flurry of thefts from letter boxes and 32 persons were convicted and severely punished for these offences.

Posters, offering rewards for information leading to the arrest and conviction of persons who commit offences involving the mails, were distributed for display in the lobbies of all post offices, postal



stations and sub-offices. Arrangements were also made to have such notices placed on all letter receptacles throughout the country.

One of the serious and increasing postal offences is the forging and cashing of stolen Post Office Money Order forms. Up-to-date lists showing the serial numbers of these money orders are issued every time there is a theft. These lists are circularized to post offices, police forces, banks, business associations and merchants across the country in an effort to protect the public against these forgeries, to help to apprehend the culprits and to emphasize the need for merchants and others to insist on proper identification of persons negotiating money orders.

A summary of Investigations activities appears on page 48 of the appendix to this report.



# COMPTROLLER'S BRANCH

The Comptroller's Branch is responsible for the efficient operation of the internal accounting system of the Department, the control over budgetary arrangements and the supervision of purchasing and stores for the Department. Under the management of the Comptroller are the following divisions: Budgets, Costs and Estimates Division, Purchasing and Stores Division and the Statistical and Office Services Division.



## BUDGETS, COSTS AND ESTIMATES

During the past year, 88 offices were submitting their monthly expenditure reports and yearly estimates under the Postmasters' Budgetary System. This programme, which was developed to promote cost-consciousness amongst the larger Staff Post Offices, has expanded from 69 offices in 1953 to the present 88 offices and has led to important local economies.

The continuous measurement of mail volumes handled and labour hours worked, and the application of work standards in most instances, was in effect in 49 unit sections of the post offices at Montreal, Toronto, Vancouver, Winnipeg, Calgary, Edmonton, Hamilton, Ottawa, Quebec, Halifax, London, Regina, Victoria, Windsor, Moncton, Saskatoon, Saint John and Peterborough.

The daily statistics available from this programme enable postal officials to forecast anticipated mail volume receipts and to create staffing arrangements relative to the mail available in order that annual leave and rotation days off schedules do not conflict with the amount of work necessary to maintain good service. They also help in the exercising of efficient control over part-time and casual supplementary staffs and in regulating the processing of secondary type mails during off-peak periods. They also help the Department to check and reduce overtime. All of these actions contribute to increased efficiency and reduced labour costs.

This activity in close collaboration with the efforts of the Time-study and Methods Division of the Operations Branch, has effected considerable savings in the handling of mail in the past few years.

Each year, to meet changing conditions, Parliamentary Estimates are revised in accordance with Treasury Board requirements. This revision serves to cover any new items of expenditure or any change in method of payment and is used as a yardstick to control present spending and to determine future requirements. This is made possible through a system of breaking down Parliamentary appropriations on a sub-allotment basis for the use of the appropriate senior official in each branch or division.

To credit to each of the classes of mail and services the portion of revenue it earns and to charge against each its portion of the expenditures, the Post Office Department has designed a Cost Ascertainment Programme. This programme has been in effect for a number of years and to it much credit must be given for enabling Departmental officials to recognize the importance of certain services and to establish suitable rates.

For the fiscal year 1960-61, this allocation has been effected on the basis of apportionment data and ratios derived from tests conducted at designated offices across Canada in 1958 which was a triennial test year.

The next triennial cost ascertainment survey is scheduled for the Spring and Fall of the year 1961.

A payroll audit programme, inaugurated on October 1st, 1959, was continued during the past year for the purpose of systematically reviewing the payroll procedures at some 350 District and Staff Post Offices throughout Canada. This programme enables the Department to ensure efficiency, safety and internal control in the disbursement of the large sums involved in the payment of operational salaries.

## **PURCHASING AND STORES**

The Purchasing and Stores Division is responsible for direct purchase of materials, supplies and equipment, except postal values and special types of equipment. It also procures, by requisition on the Department of Public Printing and Stationery, printing and stationery supplies. It is responsible for custody and control of such stores in stock at Headquarters and at ten Postal Stores Depots and for mail bags in stock at nine Mail Bag Depositories in the Field.

During the year, in the interest of economical operation, contracts were concluded with the Department of Justice for the repair and manufacture of mail bags at federal penitentiaries. Approximately half of the new mail bags obtained during the year were purchased from this source, the balance being obtained from private firms.

Inspection of major contracts for equipment and letter carrier uniforms was carried out by the Department of National Defence Inspection Services. Officers of the Division maintained close liaison with officers of the National Research Council and the Department of National Defence in the continuing search for new and better material for use in the manufacture of uniform garments and mail bags.

A change in organization in the Branch brought the transfer of the Directories Section from the Statistical and Office Services Division to the Purchasing and Stores Division. This was done because of the close liaison between the Directories Section and the Printing Section of the Purchasing and Stores Division. The Directories Section is responsible for the distribution and compilation of Householder Directories, Letter Carrier Walk Lists and Householder Number Booklets. A table showing the reported revenue from the use of these publications appears in the appendix to this report.

## **STATISTICAL AND OFFICE SERVICES**

The services provided by the Statistical and Office Services Division consist of records management, transcribing units, mes-

sengers, mail handling, distribution of printed directives and the requisitioning of office machines, publications and subscriptions.

In order to assist other Government Departments to implement an Incentive Pay Plan similar to the one in effect for typists and stenographers in the Post Office Department, Civil Service Commission Management Personnel conducted an extensive survey of our transcribing units. Their study of the system covered every aspect of the plan, its administration, its techniques, its controls, its effects on morale and confirmation of the economies the system has realized. Similar perusals of the plan were made by officials of other Canadian and foreign government administrations and other industrial work analysts.

During the year, a revised file retention schedule was submitted to Treasury Board and approved. This permitted the Department to dispose of a large number of obsolete files and records.

A Post Office Registry Manual was compiled and the Line Count Manual was revised to incorporate procedure details.

# ENGINEERING AND DEVELOPMENT BRANCH

This Branch is divided into two parts. One half of the Branch devotes itself to buildings and accommodation needs and those items classified as standard post office equipment. The other half of the Branch also consists of two divisions. The Mechanical and Electrical Engineering Division fills the needs of mechanical and electrical plant equipment in post offices across the country. It also sets specifications for equipment in new construction and other related engineering activities. The Mechanization Development Division is chiefly concerned with the development of new equipment and machinery which could be of value to the efficient operation of the service.





## BUILDINGS AND ACCOMMODATION

During the year, the programme of the Department of Public Works to replace rented Post Office premises with small Federal Buildings was continued. The number of such buildings erected during the year is indicated in the following table:

Province	Completed	Under Construction
Newfoundland.....	1	2
Nova Scotia.....	2	2
New Brunswick.....	3	2
Prince Edward Island.....	1	—
Quebec.....	19	15
Ontario.....	10	16
Manitoba.....	5	4
Saskatchewan.....	14	2
Alberta.....	9	7
British Columbia.....	6	7
North West Territories.....	—	—
<b>TOTAL.....</b>	<b>70</b>	<b>57</b>

In addition to these, new buildings were also completed at a number of larger centres and construction was started at several other points. The number and place of such projects is shown in the following table:

Province	New Buildings			Additions to Buildings
	Completed	Under Construction March 31, 1961	Completed	Under Construction March 31, 1961
Newfoundland.....	2	—	—	—
Prince Edward Island.....	1	—	—	—
Nova Scotia.....	2	1	—	2
New Brunswick.....	1	—	—	—
Quebec.....	6	4	5	3
Ontario.....	11	8	2	5
Manitoba.....	5	—	—	2
Saskatchewan.....	7	1	—	—
Alberta.....	6	3	—	—
British Columbia.....	3	6	—	—
North West Territories...	—	—	—	—
<b>TOTAL.....</b>	<b>44</b>	<b>23</b>	<b>7</b>	<b>12</b>

In addition to the construction of new buildings and additions to buildings, several improvements were made to existing Federal Postal Buildings, including the installation of new screenlines, additional lock boxes and modification of floor layouts.



In the case of accommodation rented on behalf of the Department by the Department of Public Works, 42 new leases were negotiated, 287 leases were renewed and improvements were effected in 22 leased premises.

As of the 31st March 1961, 1,013 post offices were accommodated in Federal Buildings and 1,033 offices were in leased accommodation. The number of leased premises is being reduced greatly and with the completion of the new buildings now under construction, a larger number of post offices will be located in Federal Buildings than there will be located in leased premises.

## **EQUIPMENT DIVISION**

A department responsible for the movement of large quantities of material such as handled by the Post Office exerts a continuous demand for modern equipment and replacement of equipment which is worn out. Over 18,000 pieces of mail handling equipment, such as sorting cases, parcel and letter trucks and office furniture, were supplied to meet this demand.

The Division also occupied a new warehouse, erected as part of the new Headquarters Building Complex in Ottawa. The use of this new warehouse greatly improved the efficiency of stocking and shipping of new post office equipment.

The mailmobile programme was also extended during the year. Sixteen Jeep Despatchers were purchased for trial. These vehicles proved to be superior to the lighter types of vehicles particularly in those areas where the lighter vehicles had not proved rugged enough to withstand the climatic and topographical conditions.

Six thousand letter and parcel boxes, relay boxes and group mail boxes were repainted and renovated during the year.

## **MECHANICAL AND ELECTRICAL ENGINEERING**

During the year, this Division has proceeded with the mechanization of postal operations. Planning, design or installation of new mechanical aids in the post offices at Edmonton, Halifax, Hamilton, London, Ottawa, Quebec, Saskatoon, Toronto, Calgary, Montreal, Regina and Winnipeg, have been inaugurated.

In addition, a segregating, facing and cancelling machine has been purchased for installation in the Winnipeg Post Office early in 1962. This machine will operate through the use of postage stamps bearing special fluorescent markings that will be activated by ultra-violet light. It will permit the automatic separation of local and out-of-town letters thus eliminating considerable hand sortation and handling of mail.

For ease of handling and maintenance, the Division has purchased one thousand vulcanized fibre trays and two thousand

fibreglass trays for trial use. These trays are much lighter than the wooden or metal trays and require much less maintenance.

Tests which simulate severe atmospheric conditions were conducted on three new types of stamp vending machines. On the basis of these tests, a prototype electric model was installed in the lobby of Postal Station B, Ottawa, and proved very successful. Three hundred of these electric machines have now been obtained as a convenience to postal patrons, for issue to other post offices in the Field. These machines are cheaper to produce and much easier for the patron to operate.

Parcel post meters in use in Canadian post offices have increased from fifteen in 1947 to one hundred and eighty-one in 1960, an average yearly increase of approximately twelve per year. Over the counter parcel post receiving volumes is the basis of issue.

## **MECHANIZATION DEVELOPMENT**

Field trials begun in the previous fiscal year on sixty samples of a prototype plastic street letter box have been concluded. Extensive changes are considered necessary to the design of this prototype. A study is being conducted to evolve a new design of which a sample is being made in the Development Workshops. The new design will lend itself to production using matched metal moulds.

The contract with Canadair Limited for the design and manufacture of six coding desks and the refurbishing of the sorter for the Canada Post Office Electronic Letter Sorter fell behind schedule. The development phase, provided for in this contract, has overrun the start of the evaluation period and the decision was made to conduct the evaluation in the Canadair plant, rather than in the Montreal Post Office as it had been planned originally. The evaluation is being made on live mail transported between the Canadair plant and the post office.

In centres destined to have new terminal buildings or new postal facilities in existing accommodation, engineers of this Division are engaged in studies of mail flow, building facilities and mail handling requirements, in order to be in a better position to analyse the requirements of these offices when plans are drawn. The offices affected by these changes are Ottawa, Youville Square, Montreal and Edmonton.

The Division's workshops have provided metal machining and fabrication facilities and also skilled labour to other groups in Headquarters for a variety of projects including the design of stamp vending machine mounts, the design of prototypes of redesigned mail box locks and mail bag rope locks.

# FINANCIAL BRANCH

The Financial Branch is responsible for the direction and administration of the financial activities of the Post Office Department. This includes the operation of the Postal Money Order System and the Post Office Savings Bank, the design and distribution of postage stamps and other postal values, the maintenance of accounting records the control of postmasters' financial transactions, the payment of salaries and allowances to certain classes of postal employees and the settlement of international accounts.



## **CASH ACCOUNT**

During the year, 119 non-accounting offices were raised to accounting status and authorized to issue money orders for amounts up to \$100.00. There are now 8,613 accounting offices which provide full money order service.

The Division processed bank drafts covering 639,000 deposits, totalling \$1,150,000,000 made by these offices, and processed 222,000 claims totalling \$800,000,000 by the banks for money orders paid by the banks.

Five hundred and seven offices now use night depository services in local banks in order to reduce the amount of cash on hand in post offices overnight and over weekends.

The work of the mechanical accounting machine installation in the Division was extended to process salary warrants, issued to postmasters and assistants at semi-staff and smaller office, on a twice-a-month basis. This was made possible only by the electronic calculator installed two years ago. Machine programmes for marking examination papers and for mail flow studies were also processed through the electronic calculators for the first time.

Audit of revenue of \$83,300,000 from 30,378 postage meters and 119 postage registers was carried out. In addition, sales through 752 Unemployment Insurance meters were audited.

The number of lock boxes available for rental increased from 818,795 to 850,778. Revenue from this source amounted to \$1,916,000.

## **GENERAL FINANCIAL**

Revenue and expenditures from revenue accounted for by this Division again increased over the amounts in prior years.

The total cost of foreign currencies purchased during the year in settlement of International Mail Accounts and Money Order Service was \$29,401,405, an increase over the \$28,522,450 in the prior year.

Losses by fire, theft, forgery, etc., verified and written off during the year totalled \$153,677 compared with \$295,130 in the previous year. Of the amounts in this year's figures, \$112,425 represents postage supplies stolen which, in most cases, never would be used, and \$1,322 worth of postage supplies destroyed by fire. The balance of \$39,930 represents actual loss of funds.

Shortages and other irregularities in postmasters' accounts decreased by \$10,385 from \$127,411 in the previous year to \$117,026. Any amounts not collected will be recovered from the Post Office Guarantee Fund.

The Salary Warrant Section issued payments totalling \$24,050,289, an increase over the prior year's total of \$22,053,339. The increase in payments was caused mainly by the salary increase granted effective 1st August, 1960.



## MONEY ORDER

The number of money orders issued during the year was 55,939,421, an increase of 1.79% over the previous year when 54,953,087 money orders were issued. The average value per money order increased to \$15.86 from \$15.81 in the previous year. The total value of money orders issued also showed an increase of 2.11%, from \$868,669,133 to \$886,976,976. These figures combined show an increase in gross revenue from money order fees from \$7,554,101 to \$7,691,262 or an increase of 1.82%.

The number of money orders issued in Canada for payment in foreign countries during the year was 2,614, 679, an increase of 4.6% over the previous year when 2,499,758 were issued. The total value of these money orders rose from \$28,084,576 to \$28,698,563, an increase of 2.19%.

Foreign remittances payable in Canada decreased in number from 271,580 to 265,473, or 2.25%. The total value of these orders, in spite of their decrease in numbers, showed an increase from \$5,250,922 to \$5,505,224 or 4.84%.

Since the Department is required to keep paid money orders for six years, particulars of payment of over 325,000,000 money orders are available from the files. Applications for duplicates of 48,562 money orders were received during the year. In 29,648 cases it was found that the original money order had been paid. Duplicate money orders were issued in 18,914 cases.

Notched money orders were sold at 8,668 accounting post offices. The denominative money order for domestic remittances under \$16 is sold at these offices, and also at 2,430 non-accounting post offices.

## POSTAGE STAMP

Four subjects of national importance and interest were commemorated by special postage stamps issued during the year. The following table lists these stamps:

Date	Subject	Colour	Quantity Printed
20th April, 1960	Canadian Girl Guides Golden Jubilee	Blue and Brown	30,000,000
19th May, 1960	Dollard des Ormeaux 300th Anniversary of the Battle of the Long Sault	Blue and Brown	30,000,000
8th February, 1961.....	Northern Development	Green and Red	30,000,000
10th March, 1961.....	Centennial of the Birth of Emily Pauline Johnson, Indian Poetess	Green and Red	35,000,000

The designers of these stamps in the order listed above were Canadian artists Helen Fitzgerald, Toronto, Philip Weiss, Ottawa, and the latter two stamps by Bernard J. Reddie of Ottawa.

During the year, postcards and post bands printed by the British American Bank Note Company Limited, were introduced with minor modifications made to the postage impression on these items. Also, on the 4th July, a new design Aerogramme was sold for the first time throughout Canada. This new form is printed on an attractive, high quality blue paper with the design in two colours. The designer was William J. Taylor of Montreal.

During the fiscal year 1959-60, a souvenir card, entitled "Canadian History in Postage Stamps" was released for sale to the public. This card carried fifty cents in value of postage stamps and a brief description of the subject of each stamp on the card. Because of the popularity of this card with the public, a new series of cards was prepared with ten new issue postage stamps and 100,000 cards were distributed during this year. A third card in this series is planned for distribution in larger quantities during 1961-62.

The sales of postage stamps in the regular and special issues, exclusive of official use stamps and postage due stamps, show some increase in the past few years as indicated in the following table:

Fiscal Year	Number of Regular and Special Postage Stamps
1956-57 .....	1,846,500,000
1957-58 .....	1,707,400,000
1958-59 .....	1,809,200,000
1959-60 .....	1,901,700,000
1960-61 .....	2,032,300,000

Postal revenue from cash postage sources, including postage meters, has increased to a great extent.

Stamped envelopes are sold in the number eight and number ten sizes in the two cent, four cent and five cent denominations. Sales of these envelopes totalled 38,700,000 envelopes last year and 39,800,000 envelopes during this fiscal year. Sales of stamped post cards in the two cent and four cent denominations continue at a uniform rate from year to year, totalling approximately 31,400,000 cards last year and 31,700,000 during the current fiscal year.

Personnel in the Postage Stamp Division are continuously engaged in the development of new postage stamp designs. Numerous discussions and a great amount of correspondence takes place with designers in all parts of Canada in a search for the most appropriate illustrations of the subjects selected for commemorative and regular issues of stamps. Contacts are established with the best designers available in Canada and an endeavour is made to



create an interest among designers in this very specialized field of design.

The following table gives the revenues received from orders for postage stamps and other postage supplies sold through the Philatelic Agency during the past five years:

Year	Number of Orders	Revenue
1956-57.....	24,780	\$315,130
1957-58.....	35,488	381,831
1958-59.....	48,786	388,238
1959-60.....	39,078	336,114
1960-61.....	36,440	270,520

The number of orders varies according to the number of special stamps issued.

## PROCEDURE CONTROL

This Division provides assistance in the planning and simplification of financial procedure within the Financial Branch and in post offices. In addition, it is responsible for revising and maintaining the manuals of financial procedure used in all post offices.

The issue of salary warrants to postmasters on a twice-a-month basis instead of once a month, commenced during the year and will be completed early in the fiscal year 1961-62.

A reduction in the number of times that postmasters must make cash accountings to Headquarters each month, effected during the year, has resulted in savings of work in post offices and reduction in audit costs at Headquarters.

A study of various methods of preparing machine-sealed packages containing \$1.00 in value of postage stamps was completed. As a result of this study, clear plastic type packages containing five-cent or two-cent denominations of postage stamps will be made available for purchase by the public for the Christmas season in 1961 and continuously thereafter. This packaging will provide a sanitary, sealed container which is convenient to carry in one's pocket or purse.

Study in cooperation with office machinery manufacturers continues on the development of a low-cost mechanical device for writing money orders at post office wickets and a successful device is now a definite possibility. This type of mechanism has been requested by postmasters because it will save time in the preparation of accounting reports.

## SAVINGS BANK

The Post Office Savings Bank was established on 1st April, 1868. This public service serves to encourage small savings everywhere. The Bank provides the ways and means of promoting thrift among people of low and medium income. Personal, joint, trust and other types of accounts are available at 1,500 of the 8,600 accounting post offices throughout Canada.

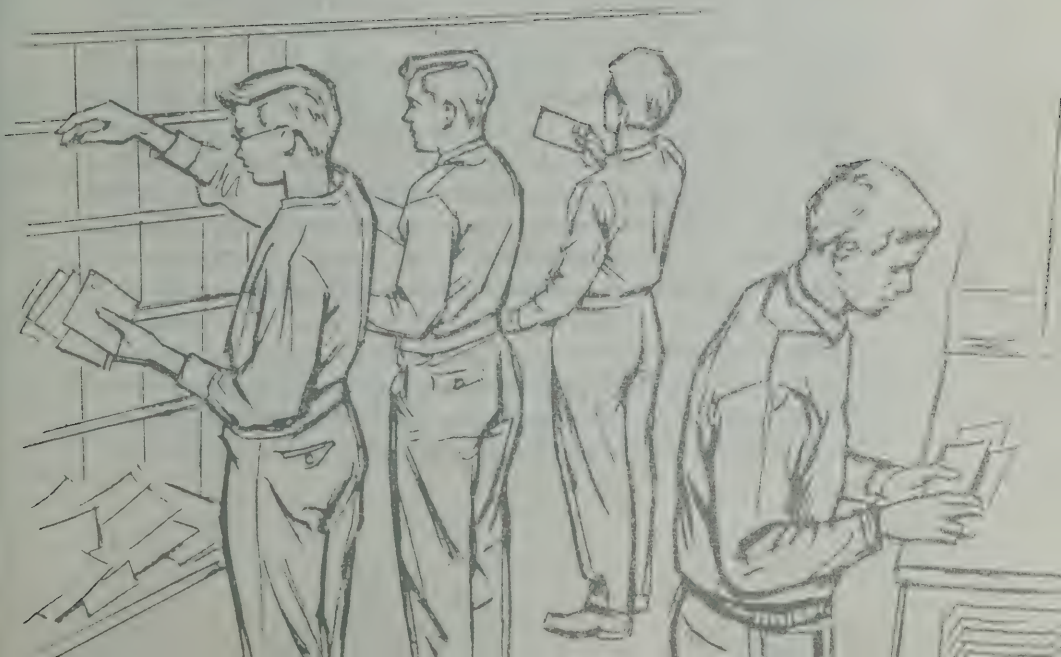
During the fiscal year, the number of depositors showed a slight increase. A relatively low rate of interest has induced a number of depositors who had substantial balances in their accounts to withdraw their funds.

The policy to be followed in regard to the Post Office Savings Bank is now under review. This applies particularly at the 3,500 or more accounting post office points where no other form of bank service is available.

A table showing the operations of the Post Office Savings Bank appears on page 46 of this report.

# OPERATIONS BRANCH

The basic duty of the Post Office Department is the delivery of millions of pieces of mail on behalf of Canadians in every walk of life and on behalf of their correspondents, both at home and abroad. It is the responsibility of the Operations Branch to ensure that the overall policies and practices carried out by officers in the field are effective and in line with the aims and best interests of the Department and its patrons. Functions which are within the scope of the Branch are enquiries, postal service, procedures and examinations, revenue post offices, staff post offices and timestudy and methods. Each of these functions falls within its own respective division.



## ENQUIRIES

Each complaint or report of delay, loss or irregularity of any kind is carefully investigated, as the volume of such enquiries is considered an indication of the quality of service provided by the Department. These enquiries are examined closely in order that any weakness indicated in the service can be eliminated. Detailed statistics are kept in regard to all types of enquiries and constantly reviewed to ensure that adequate action is taken at any point where the number of enquiries indicates the service is less than completely satisfactory.

These statistics of complaints and enquiries have on occasion brought light to more serious irregularities where the investigation has led to prosecutions and convictions. The total number of enquiries received during the fiscal year ended March, 1961, was 373,425, as compared with 393,322 for the previous year. This decrease of approximately 20,000 enquiries occurring during a year when mail volumes increased, is an indication of improved service.

The statement of enquiries in the appendix to this report shows 15,353 claims for indemnity paid for a total of \$228,847.89 as against 13,020 claims at a total cost of \$158,691.67 last year.

A continuing programme is maintained in the study of enquiries, mail handling procedures and supervision, with a view to decreasing all types of irregularities. This programme has resulted during the past year in the number of complaints received being reduced from the previous year from 101 for every million pieces being handled to 94 for every million pieces.

## POSTAL SERVICES

The urban centres throughout Canada continue to grow, and the Department has kept pace with this growth by improving postal service. During the year, letter carrier delivery was inaugurated at Beauharnois, P.Q., Beloeil, P.Q., Chateauguay, P.Q., Gatineau, P.Q., Sept. Îles, P.Q., Aurora, Ont., Grimsby, Ont., Kapuskasing, Ont., Tillsonburg, Ont., West Hill, Ont., and Grande Prairie, Alta. To provide this service, it was necessary to establish 68 letter carrier walks and to extend house-to-house delivery to 32,678 calls.

This is the largest number of new letter carrier establishments in any one year in the past, except for one post-war year which followed four years during which there were no new establishments. Cities which previously enjoyed letter carrier delivery continue to expand and, to keep pace with this expansion, the Department established 256 new letter carrier walks to provide extension of service to a total of 106,759 calls. These new inaugurations and extensions of service brought the total of calls receiving letter carrier delivery to an all-time high of 2,877,131.

To further increase the efficiency of the service in urban centres, the Department established five new postal stations; two at Edmonton, two at Calgary and one at Scarborough. In addition, three new letter carrier depots were placed in operation, one each at Lachine, Scarborough and Montreal.

The programme of installing postage stamp vending machines was continued. There are now 1,861 of these machines located in 867 different communities. During the year, a new electrically operated machine for indoor use was developed and an initial supply of 300, as previously mentioned in this report, was purchased and will be installed in lobbies of post offices and postal stations.

## **PROCEDURES AND EXAMINATIONS**

Several procedures were revised during the year to improve service. Last year, a new system was established whereby patrons, not at home when delivery of a parcel was attempted, are given the opportunity of having the item delivered again subject to a fee of 25 cents. This service, introduced initially only for parcels, was so well accepted by the public that it has now been extended to other items which the letter carrier is unable to deliver in the regular manner because of no one being at home.

The delivery of parcel post items to patrons receiving mail through group mail boxes served by letter carrier is now being given directly to their place of residence where this is practical. Previous to this arrangement, parcel post items which were too large for the group box were carded and the addressee was required to call at the post office.

Provision was made under which metered registered mail may be posted at sub post offices where this will relieve firms from travelling a considerable distance to the nearest post office or postal station. This additional service was made possible by the adoption of a procedure to credit the postmaster of the sub post office for the work involved.

It is recognized that the early delivery of mail to business organizations is vital to their operations. In order to provide this improved delivery, the Department spread these business calls over a large number of letter carrier walks. This permitted the location of the business calls at the beginning of the delivery route and resulted in earlier delivery to a very large number of business establishments. This new procedure also made it possible to provide a second letter carrier delivery of mail to approximately 5,700 business places which had previously received only one delivery a day.

For a number of years, the Department has provided a card by which persons changing their place of residence could advise their correspondents of their new postal address. These cards required prepayment of two cents postage. The redirection of mail is not



only a problem within the service but obviously delays delivery of mail to the addressee. In order to overcome these difficulties and to provide additional service to the public, the two cent postal charge for these notification cards has been eliminated.

The mail volume increases from five to six times during the Christmas season. This increase in volume is largely in the field of greeting cards and is received over a relatively short period and cannot be handled exclusively by regular employees even with a great deal of overtime. During the past Christmas period, a determined attack was made on this problem with two points in mind; firstly, to improve the service during this time of year and secondly, to reduce the ever-increasing cost. These efforts were most successful from both standpoints.

To maintain the high degree of performance by its employees, the Department has been striving toward specialization in the tasks they perform. To accomplish this, it has been necessary to study and to revise the system of yearly examinations. Many improvements were made in the system. The responsibility for conducting and maintaining the necessary records in connection with examinations was decentralized to the fourteen District Offices and to the Postmasters at the larger centres. The composite type of distribution examination which was inaugurated last year for Grade 9 offices has been extended to Grade 10 offices.

A new type of examination on postal regulations and procedures was introduced on a trial basis. This examination is a multiple choice or selective answer type and, because it is possible to use a large number of questions, should better reflect the actual knowledge possessed by the individual employee. The work of marking this type of examination is simplified and for this purpose the Department's electronic computing equipment is being used.

During the year, 12,166 written examinations and 8,026 distribution examinations were held. This is 608 less than the previous year, and the reduction is due in part to a lower failure rate, eliminating second chance. This reflects favourably on the attention being given to examinations by employees.

## **REVENUE POST OFFICE**

In keeping with the requirements of the public, a total of 194 post offices were established during the fiscal year; 40 in rural communities, 145 sub post offices in cities and 9 summer post offices. In addition, 24 post offices were reclassified to Semi-Staff.

Following the general salary revisions, effective August 1st, 1960, and approved by Parliament for all civil servants, the Postmaster General authorized general salary adjustments for postmasters and assistants in Semi-Staff and Revenue post offices and postmasters of sub post offices.



The appointment by the Civil Service Commission of full-time assistants at Semi-Staff Post Offices makes it possible to extend to some 1,600 additional postal employees the eligibility to enter promotional competitions for positions of higher classifications.

A major change was made in January, 1961, in regard to the position of postmaster at Semi-Staff Group 34 offices. Effective on that date, these positions will be filled by promotional competition open to postal employees of the Postal District in which the office is located. Previously, these positions were filled by open competition to residents of the community served by the office.

## **STAFF POST OFFICE ESTIMATES**

A review of personnel establishment in Staff Post Offices becomes essential if the Department is to continue to render efficient service at those centres where there is widespread growth of the population and volume of business. It is the duty of this Division to verify the need for additional employment and to control this additional employment during periods when the volume of mail fluctuates.

During the year, the number of employees in Staff Post Offices and District Offices increased by 720. The increase was due to the creation of four new Staff offices, the introduction of letter carrier delivery at a number of new centres, the extension of delivery to new districts and the continued increase in the volume of mail.

The supervisory establishment of the Field Service was further strengthened by reclassifying 88 such positions to a higher level.

## **TIMESTUDY AND METHODS**

The Timestudy and Methods programme has now been extended to all major post offices with the exception of Windsor, Ontario. This was withheld because of a new building under construction and the programme will be extended to that office in the near future.

Assistance has also been given by Departmental officers to a number of smaller offices where there were particular problems in regard to methods, equipment layout, etc. This is a modified version of the programme, and 35 smaller staff offices benefited from these services during the year.

Substantial savings have been effected by this programme during the past years. At the same time the programme has given to senior operating people a practical yardstick by which to appraise their operation. The efficiency in mail handling operations has shown a steady increase in all phases which come under the Cost Control Programme.

The Cost Control Programme has succeeded in lowering the cost of operation at every centre where it has been implemented. And of great importance also is the fact that this lowering of cost

has been accompanied by an improvement in the service. The close study of all postal operations under this programme has made it possible to adjust mail services, to regulate staffs and to co-ordinate the different phases of operation in a manner which is beneficial to both the mailing public and to the Department.

# PERSONNEL BRANCH

The Post Office Department employs some 50,000 full and part-time employees in some 12,000 post offices across the country. When an organization employs such a number of people, it stands to reason that it will have a comparable variety of staff situations. To meet these situations, the Personnel Branch maintains a four point programme to ensure that the employees of the Department are of high standard. It maintains necessary staff records and provides information to all employees concerning salary, attendance, pensions and the like. It co-ordinates a well-rounded management development programme. It conducts training classes for supervisors in relation to their interest in human relations and training classes for employees in relation to specific skills. It also co-ordinates departmental relations with staff associations.



During the early part of the year, a major step was taken in the development of relations with the Department's Staff Associations. Two standing committees were established with representation from the National Offices of the Postal Employees Association (10,000 members) and the Association of Letter Carriers (6,500 members) and representation from the Department. These Committees discussed a wide range of subjects relating to working conditions.

A two-week workshop in the development of personnel administration skills was conducted by the senior officer of the Branch and was attended by the Department's 19 Field Personnel Officers. This included the training of the Personnel Officers in the conducting of a new course on Rating which was developed to meet the Department's special needs. This course will be given to all supervisors at Headquarters and in the Field.

The performance of supervisors at all levels was appraised as part of the Department's well-established programme of biennial appraisal.

Two more two-week workshops in the development of management skills were conducted for senior and intermediate field officials.

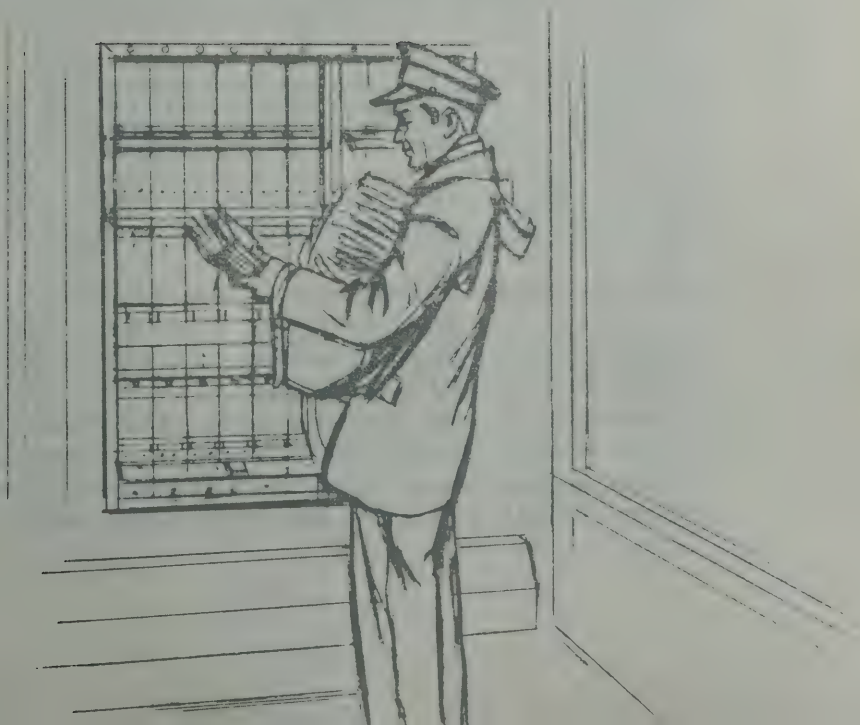
The Management Analysis Division of the Civil Service Commission provided valuable assistance in a major study of the Department's system of staff records in the field. The purposes of this study were, first, to simplify procedures where possible, and second, to develop a standard system for all field offices. A by-product of this study was a number of recommendations for further improvements in staff records procedures at Headquarters which are being adopted.

The annual rate of staff turnover dropped moderately from 8% to 6%. Of this total turnover, the rate of resignations was only 3.3% which, in comparison with rates in private employment, is extremely low.

# TRANSPORTATION BRANCH

Were it not for the vast network of transportation facilities which move the mails, it would be virtually impossible to provide postal service on the present scale. Though the services are available, it is necessary for a central administration to co-ordinate the various services in such a way as to assure that the mails are moved safely and via the fastest methods. This is the responsibility of the Director of Transportation.

To accomplish this liaison of various services, the Transportation Branch is divided into six divisions, each controlling its own particular services: Accounts Verification, Air Mail Service, Contract Assessments and Tenders, Highway and City Services, Land Mail Services and Railway Mail Service. Statistics of these various services appear in the appendix to this report.





## AIR MAIL SERVICE

As in the past, the volume of mail, conveyed by air within Canada and between Canada and the United States, continued to increase during the last fiscal year.

Air mail was carried on all flights operated by Trans-Canada Airlines that could be used to advantage and, in December, 1960, the volume of mail conveyed on domestic and trans-border flights again exceeded one million ton-miles.

Supplementary air mail service for the conveyance of first class and air parcel post within populated areas, as well as service for all classes of mail to communities situated in remote areas, was provided satisfactorily by thirty regional air carriers operating within Canada.

The following new air services were established during the year:

1. Sept Îles, P.Q.—Gagnon, P.Q.
2. Kenora, Ontario—Whitedog, Ontario.
3. Uranium City, Sask.—Gunnar, Sask.
4. Edmonton, Alta.—Sweetgrass Landing, Alta.
5. Vancouver, B.C.—Bella Coola, B.C.
6. Port Hardy, B.C.—Simoom Sound, B.C.
7. Fort William, Ont.—Minneapolis, Minn.—Chicago, Ill.

During the year, advantage was again taken of opportunities to despatch mail to isolated areas via additional commercial flights, flights chartered by other Government Departments and by aircraft operated by Government Agencies such as the Royal Canadian Mounted Police.

The frequency of service provided by air to Grand Rapids, Man., Demarais and Wabasca, Alta., Pelican Narrows, Deschambault Lake, Sandy Bay, and Stanley Mission, Sask., was increased. In the case of the Saskatchewan points, the flight providing this service was extended to Flin Flon, Man., at the request of the patrons.

In order to take full advantage of all flights available for the transportation of mail under the "all-up" service, special emphasis was placed on the necessity for correct routing and despatch of mail that is to be given air conveyance. As part of this programme, a new procedure for the preparation of correct routing and despatch information was adopted and found to be very successful.

## CITY SERVICES

The continued development of larger cities necessitated major extensions to existing street letter box services. To meet these requirements, ten new services were placed in operation. Vehicles providing City Services travelled approximately 6,400,000 miles at a total cost of \$2,475,622 in order to clear 20,876 mail boxes.

Parcel post delivery service was inaugurated in nine cities during the year. In addition, delivery of parcel post items was



extended to include newly developed areas adjacent to letter carrier delivery boundaries.

In response to requests from business firms, mobile mail delivery service was extended to several new suburban areas. This type of service is proving satisfactory and is meeting the needs of business firms which are located outside letter carrier delivery areas. In 1961-62, a general review of this mobile delivery service is planned in order to establish standards.

The cost of mail transportation facilities in cities and towns during the fiscal year was \$11,163,473. This includes the delivery of 32,385,645 parcels and 8,718,001 letter carrier bundles by motor vehicles at an average cost of 12.23 cents per item, as compared with a total of 37,838,400 articles at an average cost of 11.5 cents per item for the 1959-60 fiscal year.

## **HIGHWAY SERVICES**

During the past fiscal year, the railways found it necessary to abandon services entirely on certain lines and to reduce the frequency of service on others. In order to ensure that the standard of mail service was maintained in the areas concerned, several new highway services were authorized and a number of existing services were rearranged to effect improvements. Forty-four highway services in Canada were either inaugurated or rearranged during the year.

Several of the services referred to above are considered to be of particular importance as, in a number of instances, a network of highway services has been set up to expedite the exchange of mails between many communities situated within a large area.

Highway services have been inaugurated to provide mail service to many communities situated between Lévis, P.Q., and Campbellton, N.B., superseding the mail service previously provided by trains.

In the Ottawa Valley, an extensive rearrangement of existing highway services was authorized with a view to expediting the delivery of mails from Montreal, Toronto and Ottawa to a number of points in the Valley.

The withdrawal of trains from the thickly populated areas between Toronto, Peterborough and Belleville, and also between Peterborough, Smiths Falls and Montreal, necessitated the establishment of highway services as an alternate means of providing mail service.

A similar situation arose in the Prairies region when passenger train service was curtailed by the Canadian Pacific Railway between Winnipeg and Moose Jaw, and discontinued entirely between Winnipeg, Yorkton, Saskatoon and Edmonton. In order to compensate for the loss of these trains, it was necessary to authorize the establishment of several highway services which have not only

provided an alternate service, but have actually resulted in an improvement over the rail service previously provided.

The Northern Alberta Railway, operating in the Peace River and Northern Alberta regions, made substantial changes and reduced the frequency of train services. As this would have resulted in a deterioration in the mail service provided for the many communities concerned, authority was given for the establishment of three highway services which superseded entirely the mail service provided by train. Bulk mails destined for points in the Yukon Territories are now carried, to a large extent, by highway services operating between Edmonton and Whitehorse, Y.T.

With the advent of the Provincial Government Ferry Service between the mainland and Vancouver Island, a direct motor truck service has been established for the conveyance of mail between Vancouver and Victoria via the ferry.

### **LAND MAIL SERVICE**

During the year, 66 new rural routes were established and a total of 41 routes were either withdrawn or amalgamated with others. As a result, the net increase in the number of rural routes was 25. In addition, 1,160 extensions were authorized to existing rural routes. There are now 5,600 such services in operation across the country and they serve 617,632 householders.

In view of the significance of the postal service to persons residing in rural areas, some relaxation has been introduced in the granting of extensions of rural routes without the necessity of amending existing regulations. As a result, a number of residents in certain areas are now enjoying rural mail delivery service. Because of their location, they might otherwise not have been eligible for this service in the foreseeable future.

A special study was conducted to investigate the possibility of providing some form of service to smaller communities in Newfoundland as a substitute for the opening of post offices, or the establishment of rural routes whenever it is found to be impracticable due to conditions peculiar to Newfoundland. From this study, it has been ascertained that group mail boxes can be used to advantage and some have already been placed in service.

Initial steps have also been taken toward the establishment of two rural routes in the Avalon Peninsula. This will result in the inauguration of the first rural mail delivery service in Newfoundland.

### **RAILWAY MAIL SERVICE**

Railway Post Offices manned by Railway Mail Clerks continue to play a vital part in the service to many communities situated along several railway lines across Canada. This service allows the sortation and despatch of all classes of mail received en route.

Closely allied with the Railway Post Offices are the Baggage Car Services. Via this service, direct mail despatches prepared by post offices are exchanged.

Arrangements were made with the Canadian National Railways to provide better facilities for the handling of surface mail from Toronto and Montreal destined for points in the Quebec and Maritime Provinces. As a result, the mail service to Edmunston, Moncton, Rimouski, Halifax and many other points in the area has been greatly improved.

During the past year, the railways instituted schedule changes which, in some instances, resulted in a reduction in the frequency of service or the entire abandonment of certain routes. The Department has continued to provide service by train wherever it was feasible but, in some areas, it has been necessary to arrange for mail service to the points involved by an alternate means of transportation.

Considerable research has been conducted into the transportation of mail by train in order to provide more efficient service and to make more economical use of authorized space. In keeping with this policy, and as a result of several months of negotiations with the Canadian Pacific Railway, arrangements have been made for the transportation of mail aboard "The Canadian", the railway's high-speed transcontinental train. The service is to start in April, 1961, and it is anticipated that this will expedite considerably the exchange of surface mail between Montreal, Ottawa, Toronto, Winnipeg, Vancouver and other intermediate points.

Two experiments were conducted with "piggy-back" service. One was made with the co-operation of the Canadian National Railways between Toronto and Quebec and the other was conducted between Toronto and Ottawa with the co-operation of the Canadian Pacific Railways. Studies in this and other related fields are continuing.

## **WATER MAIL SERVICE**

The conveyance of mail by boat has continued to play an important role in mail transportation in Canada and overseas. Domestic routes operate on a year-round basis in the British Columbia coastal area and the southern coast of Newfoundland. During the season of open navigation, boats carrying mail also operate along the north and east coasts of Newfoundland on the inland lakes and along the St. Lawrence River. In most cases, the water routes provide mail service to points not served by other means of transportation. During the past year, to provide improved service to some areas, water services in Newfoundland were re-arranged and increased in frequency in some cases.

A table showing Water Mail Service statistics appears in the appendix to this report.

## EASTERN ARCTIC

The continuing development of the Arctic was reflected in a substantial increase in mail volume over previous years. A total of 55,699 pounds was despatched to the remote outposts and settlements located in Northern Quebec, Baffin Island and the far Northern Arctic Islands. This does not include the weight of mails forwarded to Fort Chimo, P.Q., and Frobisher Bay, N.W.T., via regular air stage service.

The bulk of the mail for the Eastern Arctic regions was carried to destination as a courtesy, principally by Royal Canadian Air Force, Royal Canadian Mounted Police and other Government charter aircraft. Mail-carrying flights, for the most part, emanated from Fort Churchill, Man., Fort Chimo, P.Q., and Frobisher Bay, N.W.T.

The Royal Canadian Air Force again performed the Christmas Air Drop. It delivered a total of 8,678 pounds of mail to the appreciative residents of ten post office and eight non-post office points situated in the Eastern Arctic. This mail, along with other supplies, is dropped from the aircraft and brought to the ground by parachute in containers called "panniers" which are constructed specifically for this purpose.

## CONTRACT ASSESSMENTS AND TENDERS

During the fiscal year, under authority of Sections 23 and 33 of the Post Office Act, revisions in mail contract rates were approved for 688 contracts involving an additional annual expenditure of \$673,856.14 made up as follows:

Type of Service	Number of Contracts	Total Increase
Rural Routes.....	373	\$103,627.66
Side Services.....	116	24,592.62
Stage Services.....	104	32,542.60
Highway Services.....	38	59,951.33
City Services.....	57	453,141.93
	688	\$673,856.14

Revised rates for the contracts for which an adjustment was approved represent an annual expenditure of \$4,573,692.58, an increase of 17% over former rates that had been in effect for several years. In 132 cases, an upward adjustment of contract rates was not justified. Surveys of transportation services were conducted in several major cities in order to keep up to date on developments in private industry and to ensure that standards used in the assessment of mail service contracts are adequate.

Post Office activities were expanded to include the field of fair wages and labour practices in regard to truck drivers who are employed by the contractors for major mail transportation services. Clauses are now inserted in contracts requiring contractors to pay a specified hourly wage to truck drivers. Hourly wage rates are determined by the Department of Labour. Other clauses refer to such matters as annual holidays with pay.

The following table is a summary of the number of contracts awarded as a result of the invitation of public tenders during the year:

Type of Service	Number of Contracts	Amounts
Rural Routes.....	410	\$ 700,551.07
Side Services.....	67	71,952.25
Stage Services.....	113	201,149.47
Highway Services.....	43	608,403.21
City Services.....	55	679,407.04
	688	\$2,261,463.04





# PUBLIC RELATIONS

An organization, like the Post Office Department which is constantly in contact with the public, must depend to a great extent on securing and maintaining the utmost in co-operation from this public if it is to operate efficiently. To obtain this co-operation, the Public Relations Division conducts a number of campaigns throughout the year to keep the public informed on better mailing procedures.



The growth of larger centres, such as Montreal, Toronto, Vancouver, Winnipeg, Quebec and Ottawa, causes mail delivery to become more complex. As a solution to this problem, city delivery areas in these centres are zoned in postal districts. This zoning helps considerably in speeding up delivery of letters and parcels. In the past year, the Division conducted two major campaigns in these centres asking the public to use zone numbers when addressing mail matter to these cities. Through advertising in all available media and by the distribution of householder leaflets, remarkable results were achieved; approximately 47.8% of the mail addressed to these cities is now zoned.

Christmas mail is perhaps the outstanding problem which faces the Department each year. The Division conducts an Early Mailing Campaign enlisting public co-operation in mailing segregated bundles of Christmas mail. This is accomplished through the distribution of "Local" and "Out-of-Town" labels to patrons of letter carrier delivery offices. Leaflets advertising mailing deadlines are distributed to nearly all mail patrons and all public information media are utilized to publicize the campaign.

In addition to these two campaigns, a large scale public relations programme was carried out during the year. Field Public Relations Officers organized meetings with businessmen, addressed service clubs, chambers of commerce and schools, visited mailing rooms of large and small organizations and, in general, helped to educate the public in better mailing habits.

During the year, a number of publications were printed and distributed. These were special booklets dealing with various phases of the postal service. One major publication entitled "Letter Perfect", was printed and received a wide distribution across the country. The booklet explains the operation, the complexity and the magnitude of the Post Office Department under present-day conditions.

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# STATEMENT OF REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease*
	1959-60	1960-61	
	\$	\$	\$
Postage Receipts:			
From the sale of Postage Stamps . . . . .	83,961,344.65	85,807,987.70	1,846,643.05
From the sale of Meter and Register Impressions . . .	78,383,953.73	83,321,987.61	4,938,033.88
In Cash:			
—First Class Matter . . . . .	2,181,320.40	2,302,472.91	121,152.51
—Second Class Matter (Newspapers and Periodicals)	6,558,630.91	6,613,889.72	55,258.81
—Third Class Matter (Books, Catalogues, Circulars and other Printed Matter) . . . . .	8,656,771.86	8,922,914.10	266,142.24
—Fourth Class Matter (Catalogues mailed from zone centres at parcel post rates, and samples of merchandise mailed under special permit) . . . . .	162,607.23	253,590.22	90,982.99
TOTAL POSTAGE RECEIPTS . . . . .	179,904,628.78	187,222,842.26	7,318,213.48
Rental of Post Office Boxes . . . . .	1,894,680.97	1,916,163.51	21,482.54
Fees on Postal Money Orders . . . . .	7,554,101.92	7,691,262.38	137,160.46
Commission collected from foreign countries on foreign money orders payable in Canada . . . . .	2,654.67	3,143.68	489.01
Profit in Exchange on postal transactions with other countries . . . . .	278,183.50	198,415.01	79,768.49
Credits on parcels received from foreign countries for delivery in Canada . . . . .	1,450,921.99	2,427,560.42	976,638.43
Credits for the transit of foreign Air Mail in Canada and other transit charges . . . . .	1,389,111.60	1,297,659.33	91,452.27
Sale of Rural Mail Boxes . . . . .	82,484.00	77,012.00	5,472.00
Miscellaneous Revenue:			
—From the Unemployment Insurance Commission for distributing and selling Unemployment In- surance stamps and meter impressions . . . . .	884,555.91	988,688.60	104,132.69
—From the Department of Labour for collecting Government Annuity Premiums . . . . .	76,632.83	63,274.27	13,358.56
—Sundry Revenue Items . . . . .	75,060.05	65,651.92	9,408.13
TOTAL REVENUE RECEIPTS . . . . .	193,593,016.22	201,951,673.38	8,358,657.16
Other Receipts:			
Return on Investments . . . . .	2,161.60	—	2,161.60
Proceeds from Sales . . . . .	30,096.36	24,389.44	5,706.92
Refund of previous year's Expenditure and from Appropriation . . . . .	19,648.45	12,521.73	7,126.72
Miscellaneous . . . . .	14,792.29	15,206.10	413.81
TOTAL OTHER RECEIPTS . . . . .	66,698.70	52,117.27	14,581.43

# STATEMENT OF DISBURSEMENTS FROM REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease*
	1959-60	1960-61	
	\$	\$	\$
Salaries and Allowances paid to:			
Revenue Post Offices.....	8,746,923.54	9,470,242.91	723,319.37
Semi-Staff Post Offices.....	10,828,481.68	11,710,610.99	882,129.31
Sub Post Offices.....	2,477,933.95	2,869,435.48	391,501.53
Discount allowed to vendors of postage supplies.....	50,022.86	45,839.94	4,182.92*
Compensation paid to messengers for special delivery of letters and parcels.....	675,521.60	797,069.40	121,547.80
Losses by fire, theft, forgery, etc.....	295,130.23	153,677.64 <sup>1</sup>	141,452.59*
Commission paid to foreign countries on Canadian money orders payable in those countries.....	38,523.59	35,465.90	3,057.69*
Charges on parcels mailed in Canada for delivery in foreign countries.....	1,572,643.72	1,826,497.86	253,854.14
Charges for the transit of Canadian mail through foreign countries, and on Canadian air mail carried to or through foreign countries.....	1,186,789.21	1,232,726.11	45,936.90
Indemnities paid in respect of lost, insured and C.O.D. parcels and registered articles.....	158,691.67	216,565.92	57,874.25
TOTAL DISBURSEMENTS FROM REVENUE RECEIPTS.....	26,030,662.05	28,358,132.15	2,327,470.10

<sup>1</sup> Footnote: Of this amount, \$112,425 represents postage supplies stolen, which in most cases never would be used, and \$1,322 worth of postage supplies destroyed by fire. The balance of \$39,930 represents actual loss of funds.



# STATEMENT OF DISBURSEMENTS FROM PARLIAMENTARY APPROPRIATION DURING 1960-61

Classification of Expenditure		Administration		Operations		Transportation		Financial Services		Total	
		\$	17,000.00*	\$		\$		\$		\$	
Postmaster General—Salary and Motor Car Allowance.....			2,320.00*								
Miscellaneous Gratuities.....			1,557,834.33								
Salaries—Headquarters.....											
Salaries—Outside Services.....											
Night Differential.....											
Overtime Payment to Operating Services.....											
Terminable Northern and Other Allowances.....											
Mileage Allowances.....											
Boot Allowances.....											
Professional and Special Services.....											
Security Transfer and Night Depository.....											
Travel and Removal Expenses.....											
Freight Express and Cartage.....											
Telephones and Telegrams.....											
Publication of Departmental Reports and Other Material.....											
Exhibits, Advertising, Films, etc.....											
Office Stationery, Supplies and Equipment.....											
Rental of Accounting Machines.....											
Mail Bags.....											
Uniforms and Letter Carrier Satchels.....											
Materials and Supplies.....											
Money Order Forms.....											
Manufacture of Postage Stamps and Supplies.....											
Postage Meter and Register Supplies.....											
Rentals of Storage Space.....											
Acquisition of Equipment.....											
Rural Mail Delivery Boxes.....											
Repairs and Upkeep of Equipment.....											
Rentals of Equipment.....											
School Fees and Public Utilities.....											
Canada's Share of Upkeep of International Bureaux.....											
Unemployment Insurance Contributions.....											
Sundries.....											
Mail Service by Railway.....											
Mail Service by Land including Rural Mail Delivery.....											
Mail Service by Air.....											
Mail Service by Water.....											
TOTALS.....											

\*Statutory



# COMPARATIVE STATEMENT OF REVENUE AND DISBURSEMENT Fiscal Years Ended in 1952 to 1961

Fiscal Year Ended March 31st	Receipts \$	Disbursements			Deficit	Surplus \$
		From Receipts \$	From Parliamentary Appropriation \$	Total \$		
1952.....	122,278,760.89	17,656,552.74	97,973,263.29	115,629,816.03	.....	6,648,944.86
1953.....	129,388,364.70	17,364,120.53	105,553,190.86	122,917,311.39	.....	6,471,053.31
1954.....	129,889,325.88	18,781,841.94	113,581,752.52	132,363,594.46	2,474,268.58	.....
1955.....	151,717,273.77	20,402,224.03	123,611,055.02	144,013,279.05	.....	7,703,994.72
1956.....	158,568,356.49	20,871,734.67	127,421,739.45	148,293,474.12	.....	10,274,882.37
1957.....	167,879,869.06	22,056,083.98	139,992,921.28	162,049,005.26	.....	5,830,863.80
1958.....	177,492,783.20	24,572,901.59	153,319,782.83	177,892,684.42	399,901.22	.....
1959.....	183,380,508.67	25,750,172.90	157,803,478.41	183,553,651.31	173,142.64	.....
1960.....	193,659,714.92	26,030,662.05	165,792,339.57	191,823,001.62	.....	1,836,713.30
1961.....	202,003,790.65	28,358,132.15	178,371,716.99	206,729,849.14	4,726,058.49	.....

NOTE: Lands, buildings and furnishings are provided and paid for by the Department of Public Works, and, consequently such charges are not included in the above disbursements.

Neither does the above statement reflect any revenue that might properly accrue to the Department through the Franking Privilege covering Parliamentary and Government mail or other special services provided by the Post Office Department for other Government Departments and agencies free of charge.  
The Franking Privilege alone is estimated to involve a loss in excess of \$5,000,000 annually to the Department.

# GENERAL OPERATIONS OF THE MONEY ORDER SYSTEM IN CANADA FOR THE PAST FIVE YEARS

Year	Number of Issuing Offices	Number of Money Orders Issued			Value of Money Orders Issued			Average Value per Order	Gross Revenue from Fees	Average Fee per Order
		Payable in Canada	Payable in other countries	TOTAL	Payable in Canada	Payable in other countries	TOTAL			
								\$	cts.	\$
1957										
N.....	8,080	14,869,121	2,396,087	17,265,208	553,449,546.94	26,906,760.54	580,356,307.48	33.61	3,197,075.25	18.5
D.....	11,022	33,917,088	.....	33,917,088	219,258,696.94	.....	219,258,696.94	6.46	3,792,334.74	11.2
TOTAL.....	.....	48,786,209	2,396,087	51,182,296	772,708,243.88	26,906,760.54	799,615,004.42	15.62	6,989,409.99	13.7
1958										
N.....	8,136	16,038,348	2,316,811	18,355,159	594,162,454.96	27,314,146.74	621,476,601.70	33.86	3,406,605.62	18.6
D.....	10,934	34,543,795	.....	34,543,795	224,170,837.64	.....	224,170,837.64	6.49	3,874,199.66	11.2
TOTAL.....	.....	50,582,143	2,316,811	52,898,954	818,333,292.60	27,314,146.74	845,647,439.34	15.99	7,280,805.28	13.8
1959										
N.....	8,223	16,275,637	2,380,760	18,656,397	597,732,602.49	27,470,837.47	625,203,439.96	33.51	3,445,979.60	18.5
D.....	10,823	35,089,653	.....	35,089,653	228,240,451.30	.....	228,240,451.30	6.50	3,944,043.54	11.2
TOTAL.....	.....	51,365,290	2,380,760	53,746,050	825,973,053.79	27,470,837.47	853,443,891.26	15.88	7,390,023.14	13.7
1960										
N.....	8,468	16,637,881	2,499,758	19,137,639	606,373,688.50	28,084,576.41	634,458,264.91	33.15	3,520,614.36	18.4
D.....	10,778	35,815,448	.....	35,815,448	234,210,868.42	.....	234,210,868.42	6.54	4,033,487.56	11.3
TOTAL.....	.....	52,453,329	2,499,758	54,953,087	840,584,556.92	28,084,576.41	868,669,133.33	15.81	7,554,101.92	13.7
1961										
N.....	8,668	17,452,229	2,614,679	20,066,908	623,645,357.64	28,698,563.48	652,343,921.12	32.51	3,646,458.58	18.2
D.....	11,098	35,872,513	.....	35,872,513	234,633,055.32	.....	234,633,055.32	6.54	4,044,803.80	11.3
TOTAL.....	.....	53,324,742	2,614,679	55,939,421	858,278,412.96	28,698,563.48	886,976,976.44	15.86	7,691,262.38	13.7

N—Notched Money Orders      D—Denominative Money Orders

# EXCHANGE OF MONEY ORDERS BETWEEN CANADA AND OTHER COUNTRIES FOR FISCAL YEARS 1959-1960 AND 1960-1961

Countries	Issued in Canada				Payable in Canada			
	Number		Amounts		Number		Amounts	
	1959-1960	1960-1961	1959-1960	1960-1961	1959-1960	1960-1961	1959-1960	1960-1961
Antigua.....	284	342	3,242.70	4,603.88	22	63	288.31	450.83
Australia.....	2,508	2,458	32,408.43	34,966.51	3,069	2,645	24,268.69	22,125.63
Austria.....	4,188	4,113	110,113.14	101,429.87	3,308	2,602	5,045.95	9,748.57
Bahamas.....	4,303	2,76	5,384.04	4,766.42	76	62	1,071.19	1,442.68
Banama.....	2,699	3,047	39,684.68	42,042.03	94	98	595.58	804.70
Belarus.....	4,666	4,666	103,262.01	95,264.28	3,702	3,928	140,918.21	145,095.56
Belgium.....	4,874	4,748	12,649.36	11,357.14	105	92	3,164.19	3,617.28
British Guiana.....	2,181	2,490	33,451.24	40,719.51	18	11	89.94	48.72
British Honduras.....	1,130	1,90	2,709.39	4,615.97	98	168	694.19	1,077.42
Denmark.....	2,359	2,573	48,641.41	47,906.80	467	539	11,458.65	13,864.17
Dominica.....	51	68	692.14	1,070.84	4	4	20.32	11.94
Fiji.....	91	77	2,037.46	1,492.80	1,404	1,841	42,892.67	61,780.82
France.....	21,923	22,953	389,020.00	458,849.58	6,665	8,961	265,590.47	350,144.55
German Federal Republic.....	43,473	41,889	970,689.25	942,130.24	14,546	15,320	167,102.30	208,877.62
Great Britain and Northern Ireland(a).....	443,884	384,976	5,155,996.66	4,585,884.54	13	12	80.31	101.58
Grenada.....	175	273	1,828.82	3,410.47	1,787	1,979	33,900.10	42,394.26
Holland.....	27,754	27,365	410,403.30	412,988.86	1,787	1,979	33,900.10	42,394.26
Hong Kong.....	542	707	12,319.82	16,490.56	1	1	8.35	3,743.51
Iceland.....	44	75	525.78	655.15	579	691	4,226.86	55,616.45
Ireland (Republic).....	7,388	8,903	137,029.18	169,463.41	722	1,038	35,621.62	120.04
Italy.....	24,733	25,006	726,633.33	673,494.36	16	15	351.80	216.69
Jamaica.....	16,350	15,572	241,657.68	247,521.57	19	19	103.69	53.47
Japan.....	12,422	11,797	344,680.29	320,720.77	5	7	63.60	406.61
Malaya.....	201	220	2,994.59	3,684.10	21	40	213.02	5.98
Mexico.....	456	533	8,214.64	13,356.74	1	2	3.90	4.00
Montserrat.....	304	371	3,317.98	4,361.06	258	354	4,821.54	6,093.16
Morocco (Kingdom)(b).....	1,442	80	17,431.71	1,334.80	60	56	609.86	524.02
New Zealand.....	1,459	1,589	38,275.73	38,607.54	20	30	325.14	313.34
Norway.....	355	355	6,734.80	6,103.55	40	55	268.51	465.57
Poland.....	1,069	1,111	26,237.83	26,205.43	13	13	111.23	157.38
Rhodesia and Nyasaland (Federation).....	473	526	5,909.29	7,283.42	16	24	115.05	180.80
St. Kitts-Nevis.....	457	664	7,369.49	11,265.03	159	225	2,133.04	2,908.65
St. Lucia.....	783	911	15,774.66	16,750.93	997	1,069	23,262.90	24,919.94
St. Vincent.....	28	1,361	721.98	30,309.23	59	230	486.36	3,113.21
Saar.....	1,513	2,397	36,152.23	56,217.57	236,191	225,258	4,480,725.43	4,543,092.63
Sweden.....	2,397	2,412	57,557.21	18,850,202.75	18	31	287.06	802.57
Switzerland.....	1,583	2,059	22,944.48	81,259.64	271,580	265,473	5,250,922.93	5,505,224.35
Trinidad.....	8,045	7,129	123,805.94	20,014,383.32	271,580	265,473	5,250,922.93	5,505,224.35
Union of South Africa.....	1,856,389	2,029,480	18,850,202.75	81,259.64	271,580	265,473	5,250,922.93	5,505,224.35
United States.....	13	23	136.66	76,384.60	271,580	265,473	5,250,922.93	5,505,224.35
Virgin Islands.....	3,509	3,899	76,384.60	81,259.64	271,580	265,473	5,250,922.93	5,505,224.35
Yugoslavia.....	2,499,758	2,614,679	28,084,576.41	28,698,563.48	271,580	265,473	5,250,922.93	5,505,224.35

(a) Great Britain and Northern Ireland—including British possessions and other countries using British Exchange facilities.

(b) Kingdom of Morocco—Direct service effective 1st November 1960.

OPERATIONS OF THE POST OFFICE SAVINGS BANK FOR THE TEN FISCAL YEARS  
ENDED MARCH 31, 1961

Year Ending 31st March	Balance on deposit beginning of Fiscal Year	Amount of Deposits	Interest Allowed to Depositors	Amount of Withdrawals	Balance on deposit end of Fiscal Year	Number of Accounts end of Fiscal Year	Average at credit of depositors end of Fiscal Year	Number of Post Office Savings Banks 31st March
	\$	\$	\$	\$	\$		\$	
1952.....	37,661,920.55	11,011,092.14	722,803.77	11,364,584.26	38,031,232.20	282,326	134.70	1,513
1953.....	38,031,232.20	11,521,742.93	741,954.38	10,972,699.97	39,322,229.54	287,468	136.79	1,512
1954.....	39,322,229.54	10,597,045.60	733,009.05	12,859,369.98	37,792,914.21	291,602	129.62	1,495
1955.....	37,792,914.21	9,402,227.13	713,078.63	11,127,553.80	36,780,666.17	293,840	125.17	1,457
1956.....	36,780,666.17	9,241,387.75	698,775.58	10,556,369.38	36,164,460.12	296,424	122.00	1,453
1957.....	36,164,460.12	9,663,773.62	753,112.07	10,662,846.82	35,918,498.99	298,700	120.25	1,440
1958.....	35,918,498.99	9,097,663.78	852,084.85	10,972,519.00	34,895,728.62	300,619	116.08	1,466
1959.....	34,895,728.62	8,611,890.27	820,954.60	10,172,956.18	34,155,617.31	302,349	112.97	1,477
1960.....	34,155,617.31	7,235,391.37	774,960.74	12,793,511.38	29,372,460.93	302,611	97.06	1,484
1961.....	29,372,460.93	6,199,420.08	698,642.84	7,757,737.74	28,512,786.11	302,672	94.20	1,500

## STATEMENT OF POST OFFICE GUARANTEE FUND TRANSACTIONS

### ASSETS ON MARCH 31st, 1960:

Cash on deposit in Post Office Savings Bank.....	\$ 4,191.85
Bonds at cost adjusted for amortized premium and discount plus accrued interest.....	411,831.60
	<u>\$416,023.45</u>

### ADDITIONS:

Interest on bonds.....	16,672.89
Interest on bank deposit.....	193.31
Collection of previous years' payments.....	2,186.75
	<u>19,052.95</u>
	435,076.40

### DEDUCTIONS:

Nineteen withdrawals to reimburse the Department for losses due to malfeasance on the part of Post Office employees.....	16,293.93
	<u>16,293.93</u>

### ASSETS ON MARCH 31st, 1961:

Cash on deposit in Post Office Savings Bank.....	1,844.22
Bonds at cost adjusted for amortized premium and discount, plus accrued interest.....	416,938.25
	<u>418,782.47</u>



## NUMBER OF POST OFFICES

Statement showing the number of Post Offices in operation on March 31st, 1960, the number of Post Offices established and the number of Post Offices closed during the year from April 1st 1960 to March 31st, 1961, and the number in operation on March 31st, 1961.

Province	Number of Post Offices in operation on March 31, 1960.	Number of Post Offices established from April 1, 1960 to March 31, 1961.	Number of Post Offices closed from April 1, 1960 to March 31, 1961.	Number of Post Offices in operation on March 31, 1961.
Newfoundland .....	649	10	5	654
Prince Edward Island .....	104	3	1	106
Nova Scotia .....	964	3	66	901
New Brunswick .....	597	—	29	568
Quebec .....	2,403	50	45	2,408
Ontario .....	2,629	62	40	2,651
Manitoba .....	809	7	7	809
Saskatchewan .....	1,279	12	15	1,276
Alberta .....	1,082	25	36	1,071
British Columbia .....	922	25	31	916
Yukon .....	20	1	1	20
Northwest Territories .....	39	2	—	41
<b>TOTAL .....</b>	<b>11,497</b>	<b>200</b>	<b>276</b>	<b>11,421</b>

Total number of Post Offices in operation on 31st March 1960 ..... 11,497

Total number of Post Offices in operation on 31st March 1961 ..... 11,421

NET DECREASE ..... 76

Number of Post Offices established from 1st April 1960 to 31st March 1961 ..... 200

Number of Post Offices closed from 1st April 1960 to 31st March 1961 ..... 276

## INVESTIGATIONS 1960-61

TABLE I

No. of Cases carried from previous fiscal year	No. of Cases Current fiscal year	No. of Employees Dismissed without pros.	No. of Persons prosecuted	No. of Charges laid	No. of Charges With-drawn	No. of Acquittals	No. of Convictions	No. of Charges in Court
503	1,646	50	*401	962	46	29	800	87

\*Of these prosecutions, 76 were of Post Office personnel charged with theft, opening, delaying, secreting and abandoning of mail, misappropriation of public funds and other miscellaneous offences.

TABLE II

Offence	No. of Persons Prosecuted	No. of Charges laid	No. of With-drawals	No. of Acquittals	No. of Convictions	No. of Charges in Court
Theft of mail .....	97	132	6	8	103	15
Opening, Delaying and Secreting ..	6	9	1	1	7	—
Financial Irregularities .....	18	26	—	—	25	1
Robberies .....	134	149	5	6	115	23
Receiving and Possession .....	31	35	2	3	21	9
Forgery and Uttering .....	43	530	31	4	463	32
Miscellaneous .....	62	81	1	7	66	7
<b>TOTAL .....</b>	<b>401</b>	<b>962</b>	<b>46</b>	<b>29</b>	<b>800</b>	<b>87</b>



**ENQUIRIES DIVISION  
STATEMENT OF INDEMNITIES  
REGISTERED: INSURED: C.O.D. SERVICES  
FISCAL YEAR 1960-1961**

**1. REGISTERED**

<b>(a) Domestic mails</b>	
Number of indemnity claims paid .....	162
Amount of indemnity paid .....	\$ 3,292.53
Paid from Departmental Funds .....	\$ 2,436.61
Indemnity recovered .....	\$ 855.92
<b>(b) International mails</b>	
Number of indemnity claims paid .....	149
Amount of indemnity paid .....	\$ 918.66
Paid from Departmental Funds .....	—
Indemnity recovered .....	\$ 1,377.24

**2. INSURED**

<b>(a) Domestic mails</b>	
Number of indemnity claims paid .....	11,732
Amount of indemnity paid .....	\$188,304.10
Paid from Departmental Funds .....	\$182,531.70
Indemnity recovered .....	\$ 5,772.40
<b>(b) International mails</b>	
Number of indemnity claims paid .....	87
Amount of indemnity paid .....	\$ 1,354.69
Paid from Departmental Funds .....	\$ 709.98
Indemnity recovered .....	\$ 644.71

**3. C.O.D.**

Number of indemnity claims paid .....	3,223
Amount of indemnity paid .....	\$ 34,977.91
Paid from Departmental Funds .....	\$ 31,346.21
Indemnity recovered .....	\$ 3,631.70
Total number of claims paid .....	15,353
Total indemnity paid .....	\$228,847.89
Total indemnity recovered .....	\$ 12,281.97
Paid from Departmental Funds .....	\$216,565.92

**HOUSEHOLDER DIRECTORIES—  
SALE AND DISTRIBUTION  
(Years ended March 31, 1960 and 1961)**

	1959-1960	1960-1961
Newfoundland .....	334	340
Prince Edward Island .....	107	89
Nova Scotia .....	387	415
New Brunswick .....	381	352
Quebec .....	1,612	1,532
Ontario .....	2,721	3,112
Manitoba .....	919	557
Saskatchewan .....	1,233	1,103
Alberta .....	1,230	1,329
British Columbia .....	832	877
Yukon and MacKenzie River, N.W.T. ....	41	33
TOTALS .....	9,797	9,739

## REPORTED REVENUE FROM SALE AND USE OF HOUSEHOLDER DIRECTORIES, HOUSEHOLDER NUMBER BOOKLETS AND LETTER CARRIER WALK LISTS

	(1959-1960)	(1960-1961)
	\$	\$
Sale of Householder Directories .....	15,065.50	15,126.50
Mailings from Householder Directories, Householder Number Booklets and Letter Carrier Walk Lists .....	5,935,174.17	5,836,209.25
TOTALS .....	5,950,239.67	5,851,335.75

## UNDELIVERABLE MAIL OFFICE TRANSACTIONS 1960-1961

1. INTERNATIONAL MAIL MATTER	
of Foreign and Domestic origin undeliverable in Canada and Abroad	
Foreign origin .....	2,565,463
Canadian origin .....	199,384
2. DOMESTIC MATTER	
Undeliverable as addressed .....	11,777,701
	14,542,548
3. UNCLAIMED PARCELS	
Of Canadian origin undeliverable in Canada and abroad ....	63,453
4. CASH STATEMENT	
(a) Cash found in undeliverable Mail .....	\$41,029.79
(i) Cash refunded .....	\$27,159.11
(ii) Cash unclaimed .....	\$13,870.68
(b) Revenue collected on returned undeliverable mail .....	\$24,433.24
(c) Proceeds of sale of unclaimed articles .....	\$ 9,422.95

## PURCHASING AND STORES

The following expenditures were made during the fiscal year 1960-61

Freight, Express and Cartage .....	\$ 83,950.01
Publication of Departmental Reports and Other Material ..	153,179.45
Householder Leaflets and Other Material .....	42,552.66
Office Stationery Supplies and Equipment .....	703,510.28
Portion of Rental of Storage Space .....	857.50
Mail Bags, Uniforms and Other Material and Supplies .....	1,682,779.14
Portion of Acquisition of Equipment .....	1,098,457.95
Rural Mail Delivery Boxes .....	51,967.40
Repairs and Upkeep of Equipment .....	250,227.07
Rental of Equipment .....	89,557.92
Sundry Operating and Administrative Materials .....	6,709.22
Postage Meter and Postage Register Supplies .....	15,128.78
Total for the year 1960-61 .....	4,178,877.88
Total for the year 1959-60 .....	4,355,129.19

## AIR MAIL STATISTICS

	1959-60		1960-61	
	Mail Carried	Cost	Mail Carried	Cost
		\$		\$
T.C.A. Domestic.....	9,029,375 (Ton Miles)	6,900,000	9,522,328 (Ton Miles)	6,980,000
T.C.A. International..	1,160,222 (Pounds)	3,041,925	1,277,212 (Pounds)	3,254,868
C.P.A. Domestic.....	530,967 (Ton Miles)	1,121,683	366,626 (Ton Miles)	907,218
C.P.A. International..	280,721 (Pounds)	705,272	304,135 (Pounds)	754,804
Others.....	806,233 (Ton Miles)	1,507,304	1,046,274 (Ton Miles)	1,857,749
		13,276,184		13,754,639

## CITY SERVICE STATISTICS

	1959-60		1960-61	
	Mail Services	Cost	Mail Services	Cost
		\$		\$
Parcel Post Delivery.....	151	4,341,542	164	5,011,498
Street Collections.....	307	2,215,573	318	2,475,622
Conveyance of Letter Carriers...	153	782,593	175	855,130
Other City Services.....	209	2,333,496	222	2,821,223
	820	9,673,204	879	11,163,473

## HIGHWAY SERVICE STATISTICS

	No. of Services	Cost	Increase
		\$	\$
1959-60.....	341	3,634,642	
1960-61.....	381	4,443,028	808,386

## LAND MAIL SERVICE STATISTICS

	Number of Services		Cost	
	1959-60	1960-61	1959-60	1960-61
Rural Routes.....	5,575	5,600	\$ 9,553,936	\$ 9,834,510
Side Services.....	2,519	2,075	1,586,811	1,383,881
Stage Services.....	2,007	1,966	2,130,068	2,220,617
	10,101	9,641	13,270,815	13,439,008

## RAILWAY MAIL STATISTICS

	1959-60	1960-61
Railway Post Offices in operation.....	78	65
Baggage Car Service.....	382	340
Number of Railway Mail Clerks.....	781	647
Miles Travelled By Railway Mail Clerks.....	34,525,080	29,690,405
Cost of Mail Service By Railway.....	\$16,634,716	\$16,079,744

## WATER SERVICE STATISTICS

	1959-60	1960-61
Number of Domestic Water Routes.....	52	46
Cost of Domestic Water Service.....	\$1,281,809	\$1,226,038
Cost of International Water Service.....	\$1,451,350	\$1,488,387
Top Wharfage.....	\$56,609	\$66,874
Total Cost—Mail Service By Water.....	\$2,789,768	\$2,781,299









962



# REPORT OF THE POSTMASTER GENERAL

FOR THE YEAR ENDING MARCH 31, 1962

Governor  
Publications

Government  
Publications



Government  
Publications

1962



**REPORT OF THE POSTMASTER GENERAL**

FOR THE YEAR ENDING MARCH 31, 1962



CANADA

OFFICE OF THE POSTMASTER GENERAL  
CABINET DU MINISTRE DES POSTES

*To His Excellency Major General  
Georges P. Vanier, D.S.O., M.C., L.L.B., L.L.D.,  
Governor General and Commander-in-Chief of Canada.*

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour to forward to Your Excellency the accompanying report of the Post Office Department of Canada for the year ended March 31, 1962, which is respectfully submitted.

I have the honour to be, Sir,

Your Excellency's Most Obedient Servant,

*Postmaster General.*

Post Office Department,  
Ottawa, 1st September 1962.





CANADA

DEPUTY POSTMASTER GENERAL  
SOUS-MINISTRE DES POSTES

Confederation Heights,  
Ottawa 8, Ontario

*To the Honourable William Hamilton, B.Sc. (Comm.), P.C., M.P.,  
Postmaster General of Canada.*

SIR:

I have the honour to submit the annual report of the Post Office Department of Canada for the fiscal year ended March 31, 1962.

In 1961-62, the volume of mail handled remained high with over four billion pieces processed. The triennial tests conducted during the year showed an increase of 2.5% per year over the last tests performed in 1958-59 or a 7.6% increase in three years.

Total revenue in 1961-62 amounting to \$213,579,446 represents an increase of \$11,575,655 over the previous year. Such increase is accounted for principally by a revision which took place in the Parcel Post rates resulting in added receipts of \$8,600,000. The increase is also due to additional mailings of United States publications in Canada to the extent of \$1,400,000.

Despite the increase in revenue, the Department must report a deficit of \$1,262,971. Although the Post Office always strives to operate on a surplus for the yearly operations, it has been impossible to meet expenses incurred as a result of increased costs. The deficit however, is much smaller than the deficit incurred during the last fiscal year. In 1960-61, the deficit was \$4,726,058.

Another improvement that I feel should be mentioned is the move into the new Post Office Headquarters. The Sir Alexander Campbell Building brings the various divisions under one roof, allowing for the first time a more closely knit organization with better inter-office communication and coordinated working facilities. In addition, the cleaner and modern offices have improved the working conditions and the morale of the Headquarters personnel.

I would like to express here my sincere appreciation for the sense of duty and efficiency of the employees throughout the Department. It is solely through their loyalty and devotion to the task to be accomplished that the Post Office can continue to maintain the high level of service to the public.

Respectfully submitted,

*Deputy Postmaster General*

April 1st, 1962.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1962

Cat. No. Po 1-1962

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# THE POSTAL SERVICE OF CANADA



Each year, the average Canadian entrusts some 225 pieces of mail for delivery to the Post Office Department. All these items, regardless of their destination, size or content, have one thing in common—they are to be delivered without delay by the Postal Service.

The prompt and efficient delivery of mails is expected by all Canadians and it is the responsibility of the Post Office Department to ensure that this service is provided and maintained in a most economical manner. In a country the size of Canada, it is essential that the postal machine operate smoothly and at the lowest possible cost. The Department has a large number of post offices across the country linked by a vast network of highway, railway, air and water services, all controlled by a relatively small Headquarters staff at Ottawa. Prime responsibility for the efficient management at Headquarters lies with the Deputy Postmaster General. Reporting directly to him are the seven directors of each branch whose responsibilities are outlined in the following chapters. Also under the direct supervision of the Deputy Postmaster General is a small Public Relations staff.

The services provided by the Post Office Department are not confined to the delivery of mails. It provides many associated services designed to aid businessmen as well as the general public. Services are also available to other government departments who have found the wide coverage of post offices to be of tremendous advantage in conducting their business, particularly in the remote areas where post offices are established. These services include the sale of unemployment insurance stamps, collection of government annuities payments, distribution of income tax forms and Civil Service employment application forms. Post offices are also used for the propagation of government publicity in the form of posters and other displays of interest.





# ADMINISTRATION BRANCH



General administrative features of the Post Office Department become the functions of this Branch. The administration of rate structures and regulations pertaining to the classes of mail come under its careful control to assure the best possible service to the public. It co-operates with the postal administrations of other countries. The Branch also furnishes investigation and legal services. Divisions under the Director of Administration are: Domestic Mails, International Mails and Investigations.

## DOMESTIC MAILS

During the fiscal year, several changes were made in the postage rate structure and in the regulations governing the acceptance of certain types of mail. These changes were necessary for the improvement of service and for the benefit of post office patrons.

The regulations were revised to permit the acceptance of un-addressed samples of merchandise for householder delivery and new rates of postage and limits of weight and size were established for these samples. At the same time, the rate of postage on individually addressed samples of merchandise was increased to conform with the extra cost of handling.

For many years, the rate of postage on newspapers and periodicals posted by Canadian publishers for delivery in the United States, Mexico, Central and South America, France and Spain, had remained unchanged despite the increased costs of transportation of mail to these points.

To compensate in part for this deficit, the postage rate on such mail was increased. In order to facilitate and expedite handling and despatch, publishers are now permitted to pay postage in cash on all copies of their publications addressed for delivery in foreign countries. This eliminates the previous requirements of affixing postage stamps or postage meter impressions to the items.

As a result of the recommendations made by the Royal Commission on Publications, the rate of postage on foreign publications mailed in Canada by publishers was increased. This was the first step in the implementation of some of the recommendations of the Commission.

In addition, postal regulations were amended to restrict the use of Canadian postal permit electros or dies to material printed and mailed in Canada. Previously, many publishers made large mailings in Canada under a Canadian postal permit, using Canadian electros on material printed outside of Canada. This gave the material the misleading appearance of being of Canadian origin.

Although rates were increased on some mail matter, the Canadian public benefited from a decrease in domestic air parcel post rates. This was made possible because of the gradual decrease in costs of air transportation and of the willingness of the Post Office Department to pass on the savings to the Canadian people.

During the year, the postage meter system was extended to an additional 62 post offices. This mechanical method of prepaying postage is now available to the public at 1,163 post offices.

Despite every precaution taken by the Post Office Department and although everything possible is done to eliminate faulty addressing and improper packaging, each year, a number of items

fail to be delivered. These items are referred to the Undeliverable Mail Office and a table showing the volume of activity in this section appears in the Appendix to this report.

## **INTERNATIONAL MAILS**

The Canadian Postal Administration continued its role in the Universal Postal Union as First Vice-President of the Executive and Liaison Committee. In co-operation with other postal administrations, Canada continued in the study of the many problems of an administrative, operational and financial nature arising out of the Congress of Ottawa held in 1957.

Departmental representatives were in attendance at the meeting of the above Committee at Berne, Switzerland, in May, 1961. The meeting dealt principally with relations between the Universal Postal Union and other international organizations. Also under review were the postage rates, transit charges, technical assistance between postal administrations and revision of the Acts of the Universal Postal Union.

This session was immediately preceded by a meeting of the Sub-Committee on the Salary and Working Conditions of the Personnel of the International Bureau with a view to bringing them into line with those prevailing in other specialized agencies of the United Nations, particularly, the International Telecommunications Union.

Canada was also represented at the March, 1962, meeting of the Air Mail Sub-Committee which was held in Montreux, Switzerland. Several important questions relating to air conveyance charges, accounting, operational methods and other related subjects were discussed and recommendations were drafted for submission to the next meeting of the Executive and Liaison Committee scheduled for September, 1962, and for presentation to the Congress of New Delhi in 1963.

The triennial Universal Postal Union statistics were taken during May, 1961, for determining amounts due to postal administrations for the handling and conveyance of transit surface mail. The information obtained also helped to review the routing accorded to mail of Canadian origin from the standpoint of service and cost.

During the year, arrangements were completed with a number of postal administrations for the introduction of certain simplifications in billing procedure relating to parcel post despatches which would result in economies at Canadian exchange offices and at Headquarters. To provide greater flexibility and to facilitate the adjustments necessary from time to time in handling charges, negotiations were completed with Japan and the Netherlands for the revision of certain articles in the bilateral parcel post agreements with these countries.

International air mail continued to grow. Sixty percent of the total volume of letter mail despatched overseas was transmitted by air. In addition, registration service was extended to Aerogrammes.

Air parcel post is gaining popularity with the public. It showed an increase in volume of 20% during 1961-62 over the previous year. This is attributable to the establishment of new air services made possible by the introduction of additional jet aircraft which help considerably in speeding up the transmission of mail. Insurance service for air parcel post was also established with 39 additional countries. New lower rates on air parcel post were introduced in August, 1961. At the same time, to maintain a satisfactory balance between international parcel post rates and the cost of handling and transportation, it was necessary to increase both the postage rates on surface parcels to foreign countries as well as the territorial charges due to Canada for the handling of foreign parcels sent to or via this country. Similarly, rate adjustments were made in regard to newspapers and periodicals addressed to countries outside the Commonwealth.

## INVESTIGATIONS

Although the Investigations Division is constantly on the alert in dealing with offences affecting the service, every possibility of robbery, burglary, theft, forgery, conversion of funds and other crimes can not be avoided. There will always be some who, from within or from without, will threaten the security of the mails and of Post Office property.

During the year, in addition to minor irregularities disposed of at District Office level, 2171 cases involving crimes and other serious offences were dealt with by the Headquarters and Field staff of the Division.

During 1961-62, there were 384 Post Office burglaries and the actual loss of cash and postal supplies arising out of these offences was \$159,691. There was no loss in 126, or 33%, of these cases.

Due to special attention given to the methods of handling mail in transit, the number of hold-ups and thefts from vehicles decreased by 31% over the previous year and there was no loss of mail or funds in 45% of these cases. There was also a substantial decrease in the number of offences involving letter boxes and 15 persons were prosecuted for theft of mail from these receptacles.

The Department's programme respecting the payment of rewards for information leading to the arrest and conviction of persons for offences involving the mails, and the publication and distribution of up-to-date lists showing the serial numbers of stolen post office money order forms, served to curb these offences and resulted in a significant number of prosecutions.

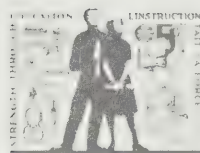
Coincident with a small decrease in the number of financial irregularities involving conversion of public funds and falsification of official records, there was a decrease of 8% in the gross amount of the shortages attributable to these offences and collection recoveries were better in 1961-62 than in the previous years.

A summary of the investigations activities during the fiscal year will be found in the Appendix to this report.





# COMPTROLLER'S BRANCH



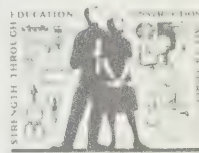
POSTES CANADA POSTAGE



POSTES CANADA POSTAGE



POSTES CANADA POSTAGE



POSTES CANADA POSTAGE

Efficient operation of the work measurement and cost ascertainment systems of the Post Office Department, budgetary control arrangements, maintenance of the office services and the supervision of purchasing and stores for the Department are the responsibilities of this Branch. Under the direction of the Comptroller are the following Divisions: Budgets, Costs and Estimates, Purchasing and Stores and Statistical and Office Services.

## BUDGETS, COSTS AND ESTIMATES

During the year, the form and contents of the Parliamentary Estimates for the fiscal year 1962-63 were prepared to meet the recommendations of the Standing Committee on Public Accounts of the House of Commons and the requirements of Treasury Board. One of the important changes was the inclusion, at the head of the Estimates, of an informative list of "Approximate Value of Major Services" received free of charge from other Government departments and agencies.

The amount of remuneration subject to review by the Payroll Audit Programme represents an expenditure exceeding \$110,000,000 for 1961-62. In the course of audits, opportunity was taken to improve payroll methods at post offices and to review regulations with postmasters. The records audited have disclosed no cases of serious irregularities.

Yearly estimates of expenditures as well as monthly returns of actual disbursements have been submitted by all Postmasters in offices grades 11 to 18.

Towards the end of the fiscal year, steps were taken to extend the budgetary control system to cover 360 District and Staff Post Offices for the 1962-63 term. It is expected that better service as well as economy will result from the implementation of this policy, a control system which will be one part of a broader administrative system to permit a greater degree of decentralization in the Postal Service.

Since the fiscal year 1961-62 was a triennial test year for the Cost Ascertainment Programme, surveys were conducted during the Spring and Fall of 1961 at representative, selected offices of various sizes across Canada.

Apportionment data and ratios derived from these tests, as well as information derived from several other sources were used to develop volume, revenue and expenditure figures which reflect with reasonable accuracy the participation of each class of mail and each special service in the total revenues and expenditures of the Department. Over a period of many years, this system has been effective in providing, at low cost, vital financial information to management. It is essential in periodic appraisals of postage rate structures.

At the request of Treasury Board and to meet the requirements of the Public Accounts Committee, the Department estimated the postage value of the mail processed free of postage for each Government department, agency, board and commission, for submission to Parliament each year through the annual estimates. "Free Mail" data will be obtained on an annual basis to establish and allocate an amount to each of the Government departments.

Analysis of data obtained through the Cost Control Programme which is carried out in 52 unit sections of the 18 largest post offices in Canada, enables postal officials to forecast work loads, to assign staff on duty, to control the use of part-time supplementary staffs, to control overtime and to improve mail handling techniques. At the same time, they help to maintain a high level of service to postal patrons and increase internal efficiency. It is also a help in establishing space requirements for post office accommodation and in evaluating the proposed mechanical mail handling equipment to be installed in these premises. During December a similar programme was inaugurated in 74 post offices to measure the Christmas mail handled, to co-ordinate rapid and economical methods of handling the upsurge of mail during the Christmas period.

## **PURCHASING AND STORES**

The major items of supplies and equipment are designed to meet requirements peculiar to the postal service and therefore, are not economically adaptable to a decentralized buying procedure. Field Officials are authorized to buy certain common types of maintenance supplies and to make emergency purchases. It is therefore the responsibility of the Purchasing and Stores Division to purchase materials, supplies and equipment. Exceptions to items purchased by this Division are postal values and highly specialized technical equipment. Through this Division also, are procured, for the use of the Department and by requisition to the Department of Public Printing and Stationery, printing and stationery supplies.

As in the past, arrangements were continued with the Department of Justice for the repair and manufacture of mail bags by penitentiaries. Approximately one-half of all new mail bags received during the year were obtained in this manner, the other half being provided by private concerns.

To ensure good value and quality and conformance with specifications in the purchase of various items, particularly uniforms and textiles, the Department relies largely on the inspection services of the Department of National Defence and the National Research Council. These departments are of valuable assistance in the choice of materials and standards for post office equipment.

The Division is also responsible for custody and control of stores in stock at Headquarters Central Stores, at ten Postal Stores Depots and at nine Mail Bag Depositories in the Field. As a help to businessmen, the Division compiles, publishes and distributes Rural Directories, Letter Carrier Walk Lists and Householder Number Booklets.

A table showing expenditures for materials, supplies and equipment and one showing the revenue from the use of rural directories are included in the Appendix to this report.

## **STATISTICAL AND OFFICE SERVICES**

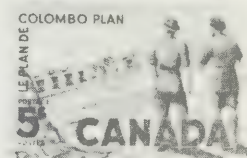
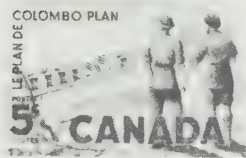
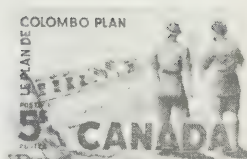
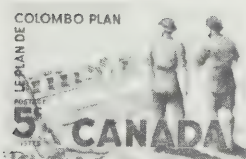
The provision of records management, transcribing services and mail and messenger services at Headquarters is the function of this Division. In addition, the Division is responsible for the administration of the Transcribers' Incentive Pay Plan in the 14 district offices and the provision of assistance in the preparation and installation of improved filing systems and procedures in the District Offices and larger Staff Post Offices.

Field visits by divisional personnel were made in connection with the Incentive Pay Plan, and the introduction of a new and uniform filing system in District Offices.

With the completion of the new Headquarters building in Ottawa it was possible to bring about an increase in efficiency and economy of operation, easier movement of staff in relation to work loads and better lines of communication.



# ENGINEERING AND DEVELOPMENT BRANCH



To keep pace with the ever increasing volume of mail matter to be processed, the Post Office Department is constantly studying equipment and accommodation. To assure that the high standards of service to the public are maintained, the Engineering Branch is directly concerned in the testing, creation and maintenance of operational equipment. Layout of Post Office buildings, their size and location are also the concern of this Branch. One half of the Branch devotes its time to buildings and accommodation needs and to those items classified as standard post office equipment. The other half of the Branch, consisting of two divisions, is concerned with the need for mechanical and electrical plant equipment and the setting of specifications for equipment in new construction and other related engineering activity.

## BUILDINGS AND ACCOMMODATION

Under the planning and supervision of this Division, the Post Office Department Headquarters was moved to its new quarters in Confederation Heights. The official opening of the Sir Alexander Campbell Building was conducted by the Right Honourable John G. Diefenbaker, Prime Minister of Canada, at 3:30 p.m. on Friday, September 15. For the first time since Confederation, Post Office Department Headquarters' activities are consolidated in one complex.

The Department of Public Works' programme of the construction of small federal buildings to replace rented Post Office premises was continued. The following table shows the number of such Post Office buildings.

PROVINCE	Buildings Completed	Buildings under construction March 31, 1962
Newfoundland.....	2	—
Nova Scotia.....	3	2
New Brunswick.....	2	1
Prince Edward Island.....	—	—
Quebec.....	20	7
Ontario.....	17	7
Manitoba.....	4	6
Saskatchewan.....	7	8
Alberta.....	11	7
British Columbia.....	8	2
North West Territories.....	—	—
Yukon Territory.....	—	—
TOTALS.....	74	40

In addition to these small structures, large Federal buildings in which there was Postal accommodation provided were erected at other centres as well as major extensions and improvements made to existing Federal buildings. The number and location of such projects are shown in the following table.



PROVINCE	New Buildings		Additions to Buildings	
	Completed	Under Construction March 31, 1962	Completed	Under Construction March 31, 1962
Newfoundland.....	2	1	1	—
Nova Scotia.....	2	2	1	2
New Brunswick.....	1	—	—	1
Prince Edward Island..	—	1	—	—
Quebec.....	6	2	3	1
Ontario.....	8	2	5	2
Manitoba.....	—	—	2	—
Saskatchewan.....	3	2	—	1
Alberta.....	6	1	—	—
British Columbia.....	7	1	2	1
North West Territories	—	—	—	—
Yukon Territory.....	1	—	—	—
TOTALS.....	36	12	14	8

The erection of new buildings or additions to existing buildings provides improved postal facilities and improvement is also provided when better premises are leased. In this connection, in liaison with the Post Office Department, forty-seven new leases were negotiated by the Department of Public Works while two hundred and forty-eight existing leases were renewed. Improvements were made to eleven leased buildings.

The number of post offices accommodated in Federal buildings as of March 31, 1962, was eleven hundred and twenty-one. Nine-hundred and forty offices were accommodated in leased quarters. For several years a program has been carried out whereby small leased post offices are relocated in Crown-owned buildings. This program has now reached the stage where there are more post offices occupying space in Federal buildings than in leased premises.

## **EQUIPMENT**

To meet the requirements of the expanding postal service, additional and replacement standard mail handling equipment such as sorting cases, hand trucks, tractors, tying machines and office furniture have to be supplied. During the past year, 22,201 items were provided.

Mailmobile fleets which have proved to be a great help in the delivery of mail have continued to expand. This service has now passed the experimental stage. The number of vehicles now in service has been increased to 88.

In offices where the volume of mail is large enough to require the use of machines for cancelling but not large enough to warrant electrically operated cancelling machines, the Department in the interest of faster handling furnishes a hand-operated cancelling machine. The number of these departmentally-owned machines in use was increased from 39 to 71.

An item which requires considerable maintenance is the street letter box. It is necessary for the Department to refurbish and repaint the familiar red and green boxes quite frequently. During the past year, nine thousand, seven hundred and fifty-two mail boxes were repainted at 146 postal centres. This represents an increase of 3,614 boxes at 57 additional postal centres over that which was accomplished in 1960. Although the number of boxes painted has increased considerably it is to be noted that, through improved procedure, the cost of maintenance was increased by less than \$1,000.

To provide for the expanded use of stamp vending machine facilities, 200 electrically-operated and 200 manually-operated machines were arranged for during the year. This brings to a total of 2,820, the number of such machines on Departmental Inventory.

## **MECHANICAL AND ELECTRICAL ENGINEERING**

To facilitate and improve the handling of large volumes of mail, the Post Office Department has developed an expanded program whereby modern materials handling machinery is introduced into the service where and when warranted. Equipment such as level, inclined and vertical conveyors, skip hoists, chutes and spiral chutes are being installed in all new post offices of larger size.

Several new types of equipment have been put into use for the first time during the year. These include a chain trolley conveyor and a conical storage conveyor with a capacity of 3,000 pounds being installed at Hamilton. Also being introduced for the first time anywhere in Canada is a new type of vertical rising conveyor

which will be completely installed in the Halifax Post Office in November 1962. Tenders have also been called for the installation of a similar conveyor in the Quebec Post Office.

In keeping with the modern trend of providing industrial music in working areas, the Post Office Department is proceeding with installations in the post offices at Scarborough, Oshawa, Saskatoon and with the modification of the existing system at Vancouver.

## **MECHANIZATION DEVELOPMENT**

A new style street letter box has been designed within this Division. It is a new version of the experimental plastic letter boxes which were put into experimental use across the country.

Technical and operational evaluation of the electronic letter sorter showed that the coding desk prototype was not suitable for installation in a postal terminal. The equipment has been installed in the Division's Workshop at Ottawa where it will be used as a test fixture for further research and development and to demonstrate the principles of operation of a code-sort system. A full engineering study of the present letter mail system will be made to re-assess the requirements of the future.

Preparations for the installation of the automated segregator, facer and canceller at the Winnipeg Post Office have been completed. The installation is planned for completion in early 1963.

A project was initiated to develop a punch-print wicket device for writing money-orders. This will be developed to meet operational requirements and the first prototype is in process of design and construction.

Other projects to improve existing equipment include the manufacture of prototype, or models in the Division's Development Workshop. The Workshop also provides the metal working and welding facilities for such work as repairs of stamp vending machines, repairs and modification of parts of standard equipment, mounts and special components, and the testing of electronic equipment.



# FINANCIAL BRANCH



The direction and administration of the financial activities of the Post Office Department come under the control of the Director of Financial Services. Under his jurisdiction are all the activities concerned with the Money Order System, the Post Office Savings Bank, procurement and distribution of postage stamps and other postal values, accounting records, the audit and control of postmasters' financial transactions, salaries and allowances of certain classes of postal employees and the settlement of international accounts.

To ensure proper functioning of the Branch, it is divided into the following divisions: Cash Account, General Financial, Money Order, Postage Stamp, Procedure Control and Savings Bank.

## **CASH ACCOUNT**

During the year, 121 Non-Accounting Offices were granted Accounting status, authorizing them to issue money orders for amounts up to \$100.00. This brings to 8,825 the number of post offices which provide full money order service.

The Division processed bank drafts covering 687,000 deposits made by these offices for a total of \$1,165,000,000. In exchange, it also processed 230,000 claims totalling \$812,000,000 made by banks for money orders which they had paid.

To reduce the amount of cash on hand in post offices overnight and on week-ends, the Department has continued to increase the number of offices which make use of night depository service in local banks. The number of offices using this service amounts to 584, thus increasing security, particularly in smaller offices.

To permit the introduction of a new system whereby the postage on each mailing of a publication is determined without the full mailing being brought to the post office, some 86 publication galley lists were audited. This operation is expected to result in savings in mail handling costs estimated at up to a million dollars a year, aside from reducing the costs to publishers and expediting their despatches. It is expected that the system can be extended to all the larger mailers of second-class material in Canada.

The Division also audited the revenue of \$90,461,000 from 32,376 postage meters and 113 postage registers. In addition, sales through 702 Unemployment Insurance meters were audited.

More and more Canadians who make use of Post Office facilities, particularly in smaller offices, realize the convenience and security of the lock box rental system. This is reflected in the fact that the number of boxes available for rental has been increased from 850,778 to 868,895. The revenue from the rental of lock boxes during the fiscal year amounted to \$1,986,000, an increase of \$70,000 over the rental for the previous year.

## **GENERAL FINANCIAL**

As in the past few years, revenue and expenditures have been climbing steadily and it is the responsibility of this Division to account for the funds.

Figures for the total cost of foreign currencies purchased during the year in settlement of International Mail Accounts and Money Order Service have shown a decrease over those of the previous



fiscal year. In 1960-61, a sum of \$29,401,405 was paid out while in the year 1961-62, only \$27,970,007 was paid out, a decrease of \$1,431,398.

Losses by fire, theft and forgery, verified and written off during the year totalled \$105,471 compared with \$153,677 in the previous year. Of this year's amount \$66,371 represents postage supplies stolen which in most cases never would be used. It also includes \$676 worth of postage supplies destroyed by fire. Thus the actual loss of funds is \$38,404.

Shortages and other irregularities in postmaster's accounts decreased by \$41,345 from \$117,026 in the prior year to \$75,681. The greatest proportion will be recovered from the Post Office Guarantee Fund.

The Salary Warrant Section issued payments totalling \$25,170,646, an increase over the previous year's total of \$24,050,289. The increase in payments resulted from the general salary increase granted by Parliament in August and which was reflected throughout the whole fiscal year 1961-62.

## **MONEY ORDER**

The number of money orders issued during the year was 56,252,265 an increase of 0.56% over the 55,939,421 orders issued in the previous year. The average value per money order also showed a slight increase from \$15.86 to \$15.88. The total value of money orders issued showed an increase of 0.74%, from \$886,976,976 to \$893,512,291. The gross revenue from fees was \$7,742,899 as compared with \$7,691,262 last year, an increase of 0.67%.

The number of money orders issued in Canada for payment in foreign countries decreased in number from 2,614,679 to 2,446,837 or 6.24%, and showed a decrease in value from \$28,698,563 to \$26,329,506, or 8.25%.

On the other hand, foreign remittances payable in Canada during the year were 268,429, an increase of 1.11% over the previous year when 265,473 were received. The total value of these orders rose from \$5,505,224 to \$5,940,795, an increase of 7.91%.

Applications for 45,543 duplicate money orders were received during the year and when verified, it was found that the original money order had been paid in 29,157 cases. Duplicate money orders were issued in 16,386 cases.

Full money order service was provided at 8,825 accounting post offices. The denominative money order for domestic remittances under \$16 is sold at these offices and at 1,883 non-accounting post offices.

## POSTAGE STAMPS

Four subjects of national importance and interest were featured by representation on special postage stamps issued during the year. The following table lists these stamps:

Date of Issue	Subject	Colour	Quantity Printed
19th April, 1961.....	The Rt. Hon. Arthur Meighen	Blue	35,560,000
28th June, 1961.....	Tenth Anniversary of the Colombo Plan	Brown and Blue	32,010,000
12th October, 1961....	Resources for Tomorrow	Brown and Green	36,160,000
28th February, 1962..	Education	Brown and Black	33,260,000

The designers of these stamps in the order listed above were: The Canadian Bank Note Company Limited, Ottawa, B. J. Reddie of Ottawa, A. L. Pollock and Helen Fitzgerald, both of Toronto.

During the year, stamped envelopes printed by International Envelope Ltd., Montreal, were introduced. Minor modifications were made to the postage design on these envelopes to conform with the postage design introduced on post cards during the previous fiscal year. At this time, also introduced for the benefit and convenience of Canadian business patrons was a two cent open-end "pennysaver" style of stamped envelope. These envelopes should receive wide acclaim and approval from business concerns as they are a great help in the mailing of printed matter used in direct mail advertising.

The Department also introduced two cent and five cent postage stamps packaged in transparent film. Each package contained postage stamps totalling \$1.00 in value and sold for this amount. Several advantages and economies were gained by the introduction of these new packages. The stamps are protected against moisture and dust and the new packaging has proved to be a help in speeding wicket service.

The sales of postage stamps, stamped envelopes and post cards continue at a steadily increasing rate. Supplies are distributed to post offices through sixteen strategically located stamp depots throughout Canada.

The Postage Stamp Division continued to prepare and distribute for sale at post offices a souvenir card upon which ten five cent commemorative postage stamps are affixed. The card gives

a brief description of the stamps and sells for the cost of the stamps only. This has proven popular not only with Canadians but with tourists visiting Canada.

The Philatelic Agency operates a mail order service for stamps sold to collectors throughout the world. The following table shows the revenue received from orders for postage stamps and other supplies sold by this Agency during the past five years:

Year	Number of Orders	Revenue
1957-58.....	35,488	\$ 381,831
1958-59.....	48,786	388,238
1959-60.....	39,078	336,114
1960-61.....	36,440	270,520
1961-62.....	47,148	353,162

It is gratifying to note that the number of orders per stamp issue continues to increase and it demonstrates the increasing interest in Canadian stamps by philatelists.

## PROCEDURE CONTROL

Planning and simplification of financial procedures within the Financial Branch and in post offices and the revision and maintenance of manuals of financial procedure used in post offices are the functions of this Division.

During the year, payment of postmasters by twice-a-month salary warrants was completed. In addition, new programmes were completed for implementation in the fiscal year 1962-63. These programmes will help considerably through the revision of salary records in obtaining budgetary information.

A new punched card system for the analysis of enquiries statistics was developed and implemented on a trial basis. These statistics should prove helpful to the Operations Branch for the improvement of the quality of service to the public.

For the use of the Director of Engineering, a punched card system using the Univac Electronic Calculator was introduced for production of statistical data on mail flow in selected post offices. Through the use of this data, it is hoped that future requirements for equipment and space in post offices can be determined and steps taken to alleviate difficulties in the planning of future buildings and equipment.

The staff of this Division assisted in a programme of cooperation with publishers of newspapers and periodicals, to establish a new method of determining postage on second class mailings. The

new method is based on a count of the number of copies mailed instead of the bulk weighing of the mailings as at present and will result in economies both to the publishers and the Department.

A detailed study of the machinery required to update our present electronic and punched card accounting equipment was continued.

The Senior Officer of the Procedure Control Division was lent for a period of approximately four months to the Royal Commission on Government Organization to provide assistance in the carrying out of their studies.

The Postage Stamp Division accounting controls on postage supplies were studied and the procedures recommended are now being placed in use.

## **SAVINGS BANK**

Since 1868, the Post Office Savings Bank has been in existence. It was designed to encourage savings everywhere and to provide a savings service in areas not large enough to maintain regular banking facilities. Personal, joint, trust and other types of accounts are available in 1,500 of the 8,600 accounting post offices throughout Canada.

During the year, the number of depositors has shown a slight decrease. A relatively low rate of interest has induced a number of depositors who had substantial balances in their accounts to withdraw their funds.

The policy to be followed in regard to the Post Office Savings Bank is now under review. This applies particularly to the 3,500 or more accounting post office points where no other form of savings is available.

A table showing the operations of the Post Office Savings Bank appears in the appendix to this report.



## OPERATIONS BRANCH

The efficient delivery of millions of pieces of mail on behalf of every Canadian in every walk of life is the basic duty of the Post Office Department. It is the responsibility of the Operations Branch to ensure that the overall policies and practices carried out by officers in the field are effective and in line with the aims and best interest of the Department and its patrons. Functions which are within the scope of this Branch are enquiries, postal service, procedures and examinations, revenue post offices, staff post offices and timestudy and methods. Each of these is governed within its respective division.



## ENQUIRIES

Enquiries and complaints from patrons provide an important means of bringing to light relative variations in the quality of the Postal Service and indicating points where deficiencies exist. During the past year, means for facilitating the analysis of enquiries and complaints were modified and improved. Particulars of all errors and delays, in which the Post Office was at fault, brought to the attention of the Department, are processed through the electronic computing equipment at Headquarters and comprehensive summaries are furnished on a monthly basis, indicating the number of various types of irregularities and the post offices where the discrepancies exist. This type of information has not been available in anything like its present form or detail. It is only through the availability of the modern computing devices that it has been possible to obtain these figures with any degree of accuracy and speed.

In addition to the analysis outlined above, there is the continuing review and analysis of Headquarters and Field Office files to ensure that proper mail handling and enquiry procedures are being followed and to determine the necessity of changes to be made. Where necessary, other divisions or branches and other Government departments are informed with a view to improving the service or eliminating causes of irregularity.

Again this year, there was a substantial reduction in the number of enquiries received, dropping from 373,425 in 1960-61 to 330,330. This must be attributed to improved postal service.

## POSTAL SERVICES

The expanding program of letter carrier establishments continued with the service being placed in operation at Repentigny, P.Q., Powell River, B.C., Cooksville, Ont., Haney, B.C., Port Coquitlam, B.C., and Dauphin, Man. These new services resulted in the establishing of 44 letter carrier walks to serve 18,044 new calls.

In addition to the new establishments, 230 letter carrier walks were placed in operation to keep pace with the growth of communities. This resulted in some 104,603 additional points of call being provided with letter carrier service. The total number of calls being served has now reached 2,999,969.

Another service provided is the delivery of mail through group mail boxes. This service is used extensively in areas where the walking conditions are poor or where the population density is not sufficient to warrant door-to-door delivery. This type of service is usually an interim one which is replaced when the requirements for door-to-door delivery have been met.



Seven new postal stations were opened during the year. These are:

Montreal, P.Q.....	A.M.F. Postal Station
Sydney, N.S.....	Whitney Pier Postal Station
Edmonton, Alta.....	Postal Station "C"
Vancouver, B.C.....	Postal Station "F"
Edmonton, Alta.....	Postal Station "L"
Scarborough, Ont.....	Postal Station "D"
Port Alberni, B.C.....	Alberni Postal Station

There are now 1,934 outdoor stamp vending machines located in 960 different communities, 200 additional machines having been purchased during the year. Additional electrically-operated stamp vending machines for indoor use were also purchased, bringing to 540 the total number of machines of this type owned by the Department. These machines are used in public lobbies of post offices located in 164 communities.

New equipment which has proved to be very popular, particularly in areas where post office parking space is at a premium, is the curbside or "snorkel" type of mail receptacle. These enable motorists to deposit their mail without leaving their vehicle. There are now 42 such installations of which five are mechanically cleared, that is to say, they are connected to the post office building by conveyor systems which take the mail directly into the working areas.

As previously mentioned, small compact vehicles are used by letter carriers in outlying areas where the homes are not closely grouped and public transportation for the letter carrier is not of a satisfactory frequency. As of the end of the fiscal year, there were 82 letter carrier walks located at 9 letter carrier delivery offices where this system is used. Eighty-eight vehicles are used, including six stand-by vehicles.

## PROCEDURES AND EXAMINATIONS

A major improvement in service to the general public was the introduction of a new procedure designed to speed up the delivery of insufficiently prepaid overseas air mail. The Post Office now advances the necessary postage to make up the deficiency, forwards the mail without delay and requests reimbursement from the sender by means of a notice card. Previously, overseas air mail which was not prepaid at least 75% of the required postage was sent on by surface means with consequent delay. Shortpaid mail bearing 75% or more postage, although sent on by air, was charged double the deficiency; this to be paid by the recipient overseas.

To keep pace with the trend of business towards decentralization to the suburbs in the larger centres, arrangements were made

to accept postage-paid-in-cash mailings at postal stations where adequate facilities for accepting them exist. As a further step in this direction, permission was granted for the acceptance, where practicable, of all types of metered mail at sub-offices to accommodate firms located at a distance from the main post office or a postal station.

Direct delivery to the addressees' residences was extended to registered and C.O.D. mail addressed to patrons of group boxes served by letter carriers. In addition, a new system of delivery of insufficiently prepaid mail for these patrons was instituted. Under the system, the mail is delivered promptly and the addressee is supplied with a post card for use in remitting the postage due to the post office.

A welcome change was made in post office lobbies across the country. The introduction of modern ball-point pens to replace the old style nibs was considered to be a major benefit to post office patrons.

## **REVENUE POST OFFICE**

In keeping with the requirements of the public 159 post offices were established during the fiscal year, 47 in rural communities, 104 sub post offices in cities and 8 summer post offices. In addition, 26 post offices were reclassified to semi-staff status.

## **STAFF POST OFFICE & ESTIMATES**

Twelve additional staff post offices were established and one was reduced to a postal station, leaving a total of 345 staff post offices in operation at the end of the fiscal year. The number of employees in staff post offices and district offices was increased by 693. This increase is attributable to the creation of the twelve new staff post offices, the introduction of letter carrier service at six centres, the extension of letter carrier delivery to new areas and the necessity to strengthen postal staffs to cope with an increased work load.

One hundred and eight positions in the operating service were reclassified to the supervisory level or to a higher supervisory level during the year. This was found to be necessary because of the need for increased supervision in certain units and to recognize increased responsibilities.

## **TIMESTUDY AND METHODS**

The Timestudy and Methods Programme has now been extended to all of the major post offices in the country.

The modified version of the programme in which particular attention is paid to methods, equipment, layouts, staffing, etc., has been applied to a great many of the smaller staff post offices. Under this phase of the programme, no regular measurement system is introduced but the benefits to be gained from the methods studies are very worthwhile.

In addition to the regular operation of the Timestudy and Methods Programme, where the savings have been substantial, this Division participated in a number of special programmes which were of benefit to the Postal Service. Among these was the revision of the Unit of Work System for Revenue and Semi-Staff Post Offices. The new system provides a much more equitable basis for determining salaries for the postmasters in the various groups of offices.

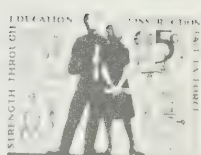
As the programme is extended into new areas and the operating officials become more familiar with the plan, a great deal more use is being made of the services offered. Through the use of the Timestudy and Methods tools, postmasters have been able to give better service to the mailing public generally and this at a reduced cost to the Department.



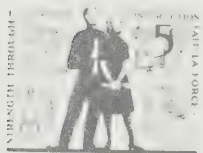
## PERSONNEL BRANCH



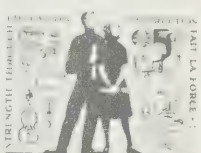
POSTES CANADA POSTAGE



POSTES CANADA POSTAGE



POSTES CANADA POSTAGE



POSTES CANADA POSTAGE

In an organization the size of the Post Office Department, employing some 41,000 employees, there will always exist a number of complex staff situations. To meet the problems arising out of the handling of so many employees, the Department maintains a four point programme to keep the standard of postal employees at a high level. It maintains necessary staff records and provides information to all employees concerning salary, attendance, pensions and the like. It co-ordinates a well-rounded management development programme. It conducts training classes for supervisors in relation to their interest in human relations and training classes for employees in relation to specific skills. Departmental relations with staff associations also form part of the duties of the Branch.

## **PERSONNEL DEVELOPMENT DIVISION**

The Department continues its programme of planned development of managers. The main phases of the programme are periodic appraisal of supervisory performance, an inventory of management strength based partly on the appraisals and the broadening of experience for many scores of supervisors through planned job rotation and temporary assignments at other locations.

The Department has a relatively high number of retirements of supervisors at all levels. Emphasis on the advance advertising of positions being vacated was increased in order to allow adequate time for tailor-made training of the replacements. This procedure is facilitated by using a group of supernumerary training positions called Management Trainee. Similar programmes in other organizations were studied with a view to improving the techniques used by the Department.

## **TRAINING**

This Division continued the programme of group training of supervisors and employees in all classes. The training provided by the programme has helped considerably in increasing the efficiency of all operations.

During the year, one two-weeks workshop in the development of management skills was held for intermediate officers in the Ontario Region. The Division also assisted and participated in two Regional Conferences of Public Relations Officers.

In addition to the continuing programme of courses in letter and report writing, a new refresher course was introduced both at Headquarters and in the Field. A French language correspondence course in letter writing was developed and introduced in the Field.

Two more groups at Headquarters participated in the Clerical Training Plan in which junior employees are trained in the organization of the Department.

At various locations in the Field, courses were given in supervisory skills, rating for promotion, appraisal and efficiency rating, public relations at wickets, setting of postage meters, job instruction.

To keep abreast of developments in other organizations, the Superintendent attended a Management Work Conference sponsored by the National Training Laboratories. Several training officers from Headquarters and the Field participated in a "Training of Trainers" programme sponsored by the Civil Service Commission.

## **STAFF SERVICES**

Three major projects were undertaken during the year, the new Civil Service Act, a new system of staff records and decentralization from Headquarters to the Field.



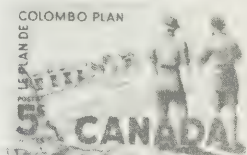
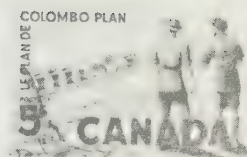
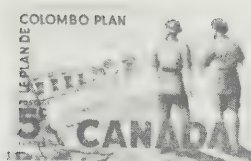
Officers of the Division participated in many discussions in relation to the new Civil Service Act and Regulations which were to be implemented on the 1st April, 1962.

A long study of staff records systems culminated, in the latter part of the year, in the installation of a new system in all field offices.

A long term programme of decentralization was continued. Senior field officials were given increased authority in several areas relating to staff administration.



# TRANSPORTATION BRANCH



In a country the size of Canada, it would be virtually impossible to provide postal service on the present scale without the vast network of transportation facilities which move the mails. As these services are available, it is the responsibility of a central organization to ensure that these are co-ordinated to be used in the most effective manner. This is entrusted to the Transportation Branch.

To accomplish this gigantic task, the Branch is divided into the following six divisions, each controlling its own particular service: Accounts Verification, Air Mail Service, Contract Assessments and Tenders, Highway and City Services, Land Mail Services and Railway Mail Services. The appendix to this report shows the statistics of the various services.

## AIR MAIL SERVICE

As in the past, the volume of mail conveyed by air within Canada and via trans-border flights operating between Canada and the United States, continued to maintain its increased volume.

Air mail was carried on all flights operated by Trans-Canada Airlines that could be used to advantage, and for the third consecutive year, the volume of mail carried on domestic and trans-border flights again exceeded one million ton-miles during the month of December.

On May 1st, an International Air Service was inaugurated between Minot, N.D., and Regina, Sask., by North Central Airlines Inc. of Minneapolis, Minn. This service is being used for mail purposes, thus providing for the first time the means for a direct exchange of air mail between Minneapolis, Minot and Regina.

To expedite the delivery of mail to the residents of Longue Pointe de Mingan, La Tabatière, St. Augustin (Saguenay) and Rivière au Tonnerre, P.Q., arrangements were made with Northern Wings Ltd., to convey first class mail and air parcel post to and from these points during the 1961 navigation season. This service was supplementary to the existing mail service provided by boat and the winter air stage service.

With the establishment of new post offices at Big Beaver House, Bearskin Lake and Round Lake, Ontario, Transair Ltd. extended the operation of its service between Central Patricia (Pickle Lake) and Big Trout Lake in order to provide mail service to the new offices.

A post office was also established at Labrador City, Nfld., the centre of a rapidly growing mining area. Arrangements were made with Quebec Air, Inc., to provide mail service to Labrador City as an additional point of call on the Sept Iles-Schefferville air mail route. This service is used for the conveyance of first class and air parcel post only, other classes of mail being carried by the Quebec North Shore and Labrador Railway from Sept Iles to Ross Bay Junction where transfer is made to a connecting baggage car service operating over a spur line constructed to Labrador City. Arrangements were also made with Eastern Provincial Airways for the conveyance of first class mail and air parcel post via their flights which operate between St. John's, Gander and Labrador City.

As in the past, arrangements were again made with Trans-Canada Airlines for increased space on many key flights during the period December 11th to 23rd inclusive. As a result, approximately 2,200 flights were used to accommodate the heavy Christmas mails.

Supplementary air mail service for the transportation of first class and air parcel post mails in populated areas, as well as service

for all classes of mail to communities situated in remote areas was provided satisfactorily by thirty regional carriers operating within Canada.

To overcome the difficulty of delivery of mails to isolated areas which are not reached via regularly scheduled flights, the Department continued to take advantage of the opportunities provided by commercial flights, and flights chartered by other government departments such as the Royal Canadian Mounted Police. It would be unfair not to express here the appreciation of the Post Office Department for the wonderful co-operation it receives from these various services, without which, service to the isolated areas would suffer.

### CONTRACT ASSESSMENTS AND TENDERS

Under authority of Sections 23 and 33 of the Post Office Act, revisions in mail contract rates were approved for 868 contracts involving an additional annual expenditure of \$454,805.87 made up as follows:

Type of Service	Number of Contracts	Total Increase
Rural Routes.....	552	\$151,978.11
Side Services.....	100	21,470.15
Stage Services.....	113	39,938.97
Highway Services.....	38	57,285.65
City Services.....	65	184,132.99
TOTALS.....	868	454,805.87

Revised rates for the contracts for which an adjustment was approved represent an annual expenditure of \$3,242,829.32, an increase of 16.3% over former rates that had been in effect for several years. In 142 cases, an upward adjustment of contract rates was not justified. Surveys of transportation services were conducted in order to keep up to date on developments in private industry and to ensure that standards used in the assessment of mail service contracts are adequate.

Post Office activities were further expanded in the field of fair wages and labour practices in regard to truck drivers who are employed by the contractors for major mail transportation services. Clauses now inserted in contracts require contractors to pay to truck drivers a specified hourly wage rate which is determined by the Department of Labour. Other clauses refer to such matters as annual holidays with pay.

The following table is a summary of the number of contracts awarded as a result of the invitation of public tenders during the year:

Type of Service	Number of Contracts	Amounts
Rural Routes.....	361	\$629,308.46
Side Services.....	64	66,601.90
Stage Services.....	76	142,242.97
Highway Services.....	45	641,382.00
City Service.....	35	107,029.40
TOTALS.....	581	1,586,564.73

## RAILWAY MAIL SERVICE

Railway Post Offices, manned by railway mail clerks, continue to play a vital part in maintaining continuity of despatch between post offices and in serving the many communities situated along several railway lines in Canada. Closely allied with the Railway Post Offices are the Baggage Car Services. Direct mail despatches prepared by post offices are exchanged via this type of service.

Considerable research was conducted in the movement of mail by train to provide more efficient service. In line with this policy, arrangements were made with the Canadian National Railways for the transportation of mail on the "Super-Continental", the railway's fast transcontinental train, between Montreal, Ottawa, North Bay, Winnipeg, Saskatoon, Edmonton and Vancouver. This service provides a link with the Toronto, Winnipeg and Vancouver service established in 1958 and expedites the exchange of mail between the points mentioned.

In cooperation with the Canadian Pacific Railway, the Department increased the volume of mail despatched on "The Canadian" between Winnipeg and Moose Jaw. The use of this train provides a later outlet for mail from Winnipeg and an earlier arrival at Regina and Moose Jaw. In addition to the foregoing, the utilization of fast merchandise freights developed by the railway has proved quite successful in speeding up the handling and despatch of bulk mails, resulting in earlier receipt at point of destination.

Arrangements were also made with the Canadian National Railways for the inauguration of "piggy-back" service between Toronto and Quebec City commencing in April 1962. This type of service had been conducted on an experimental basis in 1961 with a view to expediting the movement of bulk mail between Toronto and Quebec.



A table comparing the operations of the Railway Mail Service during the last two fiscal years appears in the appendix to the report.

## **WATER MAIL SERVICE**

Mail conveyance by boat forms an important part of mail transportation in Canada. Domestic routes operate on a year-round basis along the southern coast of Newfoundland and New Brunswick and in the British Columbia coastal area. During the season of open navigation, boats carrying mail also operate along the north and east coasts of Newfoundland, on inland lakes and along the St. Lawrence River. In most cases, these routes take the mails to those points not served by any other means of transportation.

In the appendix to this report will be found a table on operation costs of the water services.

## **EASTERN ARCTIC**

The continuing development of the Arctic was reflected in a substantial increase in mail volume over previous years. In the Eastern Arctic Patrol category, 14 post offices and 9 non-post office points received a total of 64,581 pounds of mail as compared with 55,699 pounds for the previous year, an increase of approximately sixteen percent.

The bulk of the mail for the Eastern Arctic region was carried to destination as a courtesy, principally by the Royal Canadian Air Force, The Royal Canadian Mounted Police and other government charter aircraft.

The popular "Christmas Drop" was again conducted by the Royal Canadian Air Force with 8,109 pounds of mail, along with other supplies, being delivered to the appreciative residents of the settlements in the Eastern Arctic area.

## **HIGHWAY SERVICES**

The continuing trend toward curtailment of rail facilities has necessitated the gradual expansion of mail service by highway in order to maintain and improve the quality of service furnished by the affected train routes.

There were some areas where the degree of train service was not acceptable to residents as the basis for mail service. In these areas, highway services were established for the purpose of improving the frequency and schedule of mail operations.

Altogether, approximately 22 services were established or augmented to a considerable degree. Major changes were as follows:

Newfoundland	Clarenceville & Bonaville Highway Service established to furnish a daily frequency and a greatly improved schedule over the former tri-weekly train service.
Ontario	Toronto & Guelph Highway Services. Two services following different routings were inaugurated to improve mail service in the areas and to relieve heavy mail train operations. Hamilton & Niagara Falls. A series of highway services was developed in this area to replace train service which had been discontinued or curtailed in so far as local operations were concerned. Toronto-Lindsay-Peterborough. The entire highway service operation between these cities was re-organized to eliminate the use of poorer roads and was expanded to cope with the larger volume of mail to be conveyed.
Manitoba	Rapid City & Beulah Highway Service was developed to provide improved mail service on a daily frequency to about a dozen communities which formerly had rather irregular and infrequent service.
Saskatchewan	Dilke & Watrous Highway Service was established to furnish regularly scheduled daily service to about 10 communities formerly served by irregular tri-weekly mixed trains.
Alberta & British Columbia	Calgary-Golden-Cranbrook. The combined highway services between the above communities were increased from tri-weekly to daily with a revised schedule which greatly improved connections to areas beyond the immediate territory served.

In addition, surveys have been undertaken in the Halifax, Saint John, Toronto, London, Saskatoon and Calgary Districts with a view to establishing highway services to replace existing train services which are being withdrawn or reduced in frequency by the railway companies.

Statistics relating to the highway service operations for the fiscal year appear in the appendix.

## CITY SERVICES

The continuous development and expansion of cities and towns was reflected in the additional city mail transportation services which were established during the past year.

Street letter box collection service was inaugurated at

Clarenceville, Nfld.	Newcastle, N.B.
Lennoxville, P.Q.	Plessisville, P.Q.
Repentigny, P.Q.	Aylmer West, Ont.
Cardinal, Ont.	Cooksville, Ont.
Crystal Beach, Ont.	Dauphin, Man.
Camrose, Alta.	Ponoka, Alta.
Stettler, Alta.	Haney, B.C.

Parcel Post and Special Delivery services were also established at five of the offices shown above.

A thorough study and revision of the street letter box collection schedules in the larger cities resulted in a substantial saving in the cost of operating these services while maintaining the same high standard of service to the public.

Mobile mail delivery service which was introduced in 1958, has continued to expand in keeping with the trend of business firms to settle in the suburban areas of the major cities. In addition to the normal increase in existing services, mobile delivery was inaugurated in Ottawa and Port Arthur.

Statistics of the city mail transportation services appear in the appendix to this report.



# PUBLIC RELATIONS



The Post Office Department is probably the single government department which is in contact with almost every individual citizen of Canada every day of the year. It follows that the Department must depend to a large extent for its efficiency, on securing and maintaining the utmost in co-operation with the public. Maintaining this co-operation is the duty of the Public Relations Division. To accomplish its work the Division conducts a number of campaigns throughout the year to keep the public informed on better mailing procedures.

As larger centres continue to grow with the expanding economy of the country, mail delivery in these centres becomes a more complex problem. To facilitate the delivery of mail, the cities of Montreal, Toronto, Vancouver, Winnipeg, Quebec and Ottawa have been divided into postal zones. Twice a year, in the spring and in the fall, there is a concerted effort, to encourage patrons to use zone numbers. This effort makes use of advertising in every media as well as a variety of publicity techniques.

Perhaps the largest single problem which the Post Office has to handle is the increased volume of mail during the Christmas season. The early mailing campaign enlists the co-operation of the public in segregating local and out-of-town bundles of Christmas mail. This is accomplished through the distribution of special leaflets and labels to all Staff and Semi-Staff Post Offices. Leaflets giving mailing deadlines are distributed to nearly all patrons and all public information media are utilized to publicize these dates. Throughout the year, several other campaigns are carried out. At Headquarters, a programme of paid advertising publicizes better addressing procedures designed to help the mailing public. In addition, the Headquarters staff is responsible for the publicity for new issue postage stamps. Effective the 1st April, responsibility for the design, selection and printing of new stamps will be assigned to the Division.

With the move into the new Headquarters building, space has become available for a postal museum area where several different exhibitions can be displayed. As material becomes available, it is displayed in the lobby of the building where the public has ready access. It is expected that the displays can be elaborated upon and a programme instituted to bring the Post Office to the people through interesting and varied displays.

Field public relations officers organize meetings with businessmen, service clubs, chambers of commerce and schools. At these meetings the Field officers emphasize proper mailing habits. They visit large or small mailrooms and in many cases assist in the planning of new or remodelled premises with a view to making the mailroom more efficient and economical. In very many instances these activities have resulted in considerable savings to the Department and to the patrons.

## **EMERGENCY PLANNING**

Two types of postage free cards have been prepared for use in a national emergency to enable survivors and evacuees from disaster areas to notify the Post Office of their changes in address, and relatives, employers and others of their safety and location.

Approximately ten million cards have been placed in standby storage in some seventeen hundred staff and semi-staff post offices across Canada.



# APPENDIX

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# STATEMENT OF REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease *
	1960-61	1961-62	
	\$	\$	\$
Postage Receipts:			
From the sale of Postage Stamps.....	85,807,987.70	88,573,174.71	2,765,187.01
From the sale of Meter and Register Impressions.....	83,321,987.61	90,426,489.25	7,104,501.64
In Cash:			
—First Class Matter.....	2,302,472.91	2,336,985.16	34,512.25
—Second Class Matter (newspapers and periodicals).....	6,613,889.72	8,036,122.73	1,422,233.01
—Third Class Matter (books, catalogues, circulars and other printed matter).....	8,922,914.10	9,015,882.17	92,968.07
—Fourth Class Matter (mailings under special permit at parcel post rates).....	253,590.22	184,487.66	69,102.56
TOTAL POSTAGE RECEIPTS.....	187,222,842.26	198,573,141.68	11,350,299.42
Rental of Post Office Boxes.....	1,916,163.51	1,985,861.28	69,697.77
Fees on Postal Money Orders.....	7,691,262.38	7,742,899.87	51,637.49
Commission collected from foreign countries on foreign money orders payable in Canada.....	3,143.68	3,922.07	778.39
Profit in exchange on postal transactions with other countries.....	198,415.01	221,217.94	22,802.93
Credits on parcels received from foreign countries for delivery in Canada.....	2,427,560.42	2,248,367.84	179,192.58
Credits for the transit of foreign Air Mail in Canada and other transit charges.....	1,297,659.33	1,582,164.32	284,504.99
Sale of Rural Mail Boxes.....	77,012.00	73,240.00	3,772.00
Miscellaneous Revenue:			
—From the Unemployment Insurance Commission for distributing and selling Unemployment Insur- ance stamps and meter impressions.....	988,688.60	956,930.42	31,758.18
—From the Department of Labour for collecting Government Annuity Premiums.....	63,274.27	65,543.12	2,268.85
—Sundry Revenue Items.....	65,651.92	64,705.92	946.00
TOTAL REVENUE RECEIPTS.....	201,951,673.38	213,517,994.46	11,566,321.08
Other Receipts:			
Return on Investments.....		1,880.34	1,880.34
Proceeds from Sales.....	24,389.44	21,086.60	3,302.84
Refund of previous year's Expenditure and from Appropriation.....	12,521.73	11,144.23	1,377.50
Miscellaneous.....	15,206.10	27,339.88	12,133.78
TOTAL OTHER RECEIPTS.....	52,117.27	61,451.05	9,333.78

# STATEMENT OF DISBURSEMENTS FROM REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease *
	1960-61	1961-62	
	\$	\$	\$
Salaries and Allowances paid to:			
Revenue Post Offices.....	9,470,242.91	9,489,283.48	19,040.57
Semi-Staff Post Offices.....	11,710,610.99	12,530,089.69	819,478.70
Sub Post Offices.....	2,869,435.48	3,151,273.48	281,838.00
Discount allowed to vendors of Postage Supplies.....	45,839.94	38,256.49	7,583.45*
Compensation paid to messengers for special delivery of letters and parcels.....	797,069.40	887,620.11	90,550.71
Losses by fire, theft, forgery, etc.....	153,677.64	105,471.22 <sup>1</sup>	48,206.42*
Commission paid to foreign countries on Canadian money orders payable in those countries.....	35,465.90	34,313.51	1,152.39*
Charges on parcels mailed in Canada for delivery in foreign countries.....	1,826,497.86	1,916,716.10	90,218.24
Charges for the transit of Canadian mail through foreign countries, and on Canadian air mail carried to or through foreign countries.....	1,232,726.11	1,507,288.34	274,562.23
Indemnities paid in respect of lost, insured and C.O.D. parcels and registered articles.....	216,565.92	178,745.44	37,820.48*
TOTAL DISBURSEMENTS FROM REVENUE RECEIPTS.....	28,358,132.15	29,839,057.86	1,480,925.71

<sup>1</sup> Footnote: Of this amount, \$78,123 represents postage supplies stolen, which in most cases never would be used, and \$676 worth of postage supplies destroyed by fire. The balance of \$26,672 represents actual loss funds.

# STATEMENT OF DISBURSEMENTS FROM PARLIAMENTARY APPROPRIATION DURING 1961-62

Classification of Expenditure	Administration		Operations		Transportation		Financial services		Total	
	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.
Postmaster General Salary and Motor Car Allowance.....	17,000.00*								17,000.00	
Miscellaneous Gratuities.....	4,520.00*								4,520.00	
Salaries—Headquarters.....	1,586,840.74				463,090.20		1,642,532.83		4,860,039.79	
Salaries—Outside Services.....			1,167,576.02						105,583,707.04	
Night Differential.....			105,583,707.04						1,318,722.08	
Overtime Payments to Operating Services.....			1,318,722.08						2,841,885.55	
Terminable—Northern and Other Allowances.....			2,841,885.55						58,181.59	
Mileage Allowance.....			58,181.59						406,569.53	
Boot Allowance.....			406,569.53						389,562.06	
Professional and Special Services.....	5,930.18		1,400.90						7,331.08	
Security Transfer and Night Depository.....							25,697.81		25,697.81	
Travel and Removal Expenses.....	65,318.71		411,405.72		12,508.25		2,677.62		491,910.30	
Freight, Express and Cartage.....	3,623.84		62,599.74						66,223.58	
Telephones and Telegrams.....	4,620.26		159,575.23		505.43		675.18		165,376.10	
Publication of Departmental Reports and Other Material.....	48,525.50		47,484.35				3,622.02		99,631.87	
Exhibits, Advertising, Films, etc.....	306,114.28								306,114.28	
Office Stationery, Supplies and Equipment.....	50,433.64		479,829.47		3,823.35		66,137.52		600,223.98	
Rental of Accounting Machines.....							67,872.76		67,872.76	
Mail Bags.....			854,831.28						854,831.28	
Uniforms and Satchels.....			673,148.91						673,148.91	
Materials and Supplies.....			748,553.66						748,553.66	
Money Order Forms.....							149,413.51		149,413.51	
Manufacture of Postage Stamps and Supplies.....							1,192,844.66		1,192,844.66	
Postage Meter and Register Supplies.....							26,743.64		26,743.64	
Rentals of Storage Space.....									3,898.79	
Acquisition of Equipment.....			3,898.79						1,289,376.20	
Rural Mail Delivery Boxes.....			1,289,376.20		152,500.00				132,500.00	
Repairs and Upkeep of Equipment.....			261,424.93						261,497.93	
Rental of Equipment.....	73.00		69,188.67						69,188.67	
School Fees and Utility Services.....			5,001.22						5,001.22	
Canada's Share of International Bureaux.....	21,138.05								21,138.05	
Unemployment Insurance Contributions.....			142,189.36						142,189.36	
Sundries.....	8,478.52		6,780.36						15,258.88	
Mail Service by Railway.....									15,590,469.72	
Mail Service by Land including Rural Mail Delivery.....									30,120,356.35	
Mail Service by Air.....									13,708,963.97	
Mail Service by Water.....									2,667,415.31	
Totals.....	2,122,616.72		116,982,892.66		62,719,632.58		3,178,217.55		185,003,359.51	

# COMPARATIVE STATEMENT OF REVENUE AND DISBURSEMENT

## Fiscal Years Ended in 1953 to 1962

Fiscal Year Ended March 31st	Receipts		Disbursements				Deficit		Surplus	
			From Receipts		From Parliamentary Appropriation					
	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.
1953.....	129,388,364.70		17,364,120.53		105,553,190.86		122,917,311.39		6,471,053.31	
1954.....	129,889,325.88		18,781,841.94		113,581,752.52		132,363,594.46		2,474,268.58	
1955.....	151,717,273.77		20,402,224.03		123,611,055.02		144,013,279.05			
1956.....	158,568,356.49		20,871,734.67		127,421,739.45		148,293,474.12			
1957.....	167,879,869.06		22,056,083.98		139,992,921.28		162,049,005.26			
1958.....	177,492,783.20		24,572,901.59		153,319,782.83		177,892,684.42	399,901.22		7,703,994.72
1959.....	183,380,508.67		25,750,172.90		157,803,478.41		183,553,651.31	173,142.64		10,274,882.37
1960.....	193,659,714.92		26,030,662.05		165,792,339.57		191,823,001.62			5,830,863.80
1961.....	202,003,790.65		28,358,132.15		178,371,716.99		206,729,849.14	4,726,058.49		
1962.....	213,579,445.51		29,839,057.86		185,003,359.51		214,842,417.37	1,262,971.86		1,836,713.30

NOTE: Lands, buildings and furnishings are provided and paid for by the Department of Public Works, and, consequently such charges are not included in the above disbursements.

Neither does the above statement reflect any revenue that might properly accrue to the Department through the Franking Privilege covering Parliamentary and Government mail or other special services provided by the Post Office Department for other Government departments and agencies free of charge. The Franking Privilege alone is estimated to involve a loss in excess of \$5,200,000.00 annually to the Department.



# GENERAL OPERATIONS OF THE MONEY ORDER SYSTEM IN CANADA FOR THE PAST FIVE YEARS

Year	Number of Issuing Offices	Number of Money Orders Issued			Value of Money Orders Issued				Average Value per Order	Gross Revenue from Fees	Average Fee per Order	
		Payable in Canada	Payable in Other Countries	TOTAL	Payable in Canada		Payable in Other countries					TOTAL
					\$	cts.	\$	cts.				
1958												
N	8,136	16,038,348	2,316,811	18,355,159	594,162,454.96	27,314,146.74	621,476,601.70	33.86	3,406,605.62	18.6		
D	10,934	34,543,795	2,316,811	34,543,795	224,170,837.64	27,314,146.74	224,170,837.64	6.49	3,874,199.66	11.2		
TOTAL		50,582,143		52,898,954	818,333,292.60		845,647,439.34	15.99	7,280,805.28	13.8		
1959												
N	8,223	16,275,637	2,380,760	18,656,397	597,732,602.49	27,470,837.47	625,203,439.96	33.51	3,445,979.60	18.5		
D	10,823	35,089,653	2,380,760	35,089,653	228,240,451.30	27,470,837.47	228,240,451.30	6.50	3,944,043.54	11.2		
TOTAL		51,365,290		53,746,050	825,973,053.79		853,443,891.26	15.88	7,390,023.14	13.7		
1960												
N	8,468	16,736,881	2,499,758	19,137,639	606,373,688.50	28,084,576.41	634,458,264.91	33.15	3,520,614.36	18.4		
D	10,778	35,815,448	2,499,758	35,815,448	234,210,868.42	28,084,576.41	234,210,868.42	6.54	4,033,487.56	11.3		
TOTAL		52,453,329		54,953,087	840,584,556.92		868,669,133.33	15.81	7,554,101.92	13.7		
1961												
N	8,668	17,452,229	2,614,679	20,066,908	623,645,357.64	28,698,563.48	652,343,921.12	32.51	3,646,458.58	18.2		
D	11,098	35,872,513	2,614,679	35,872,513	234,633,055.32	28,698,563.48	234,633,055.32	6.54	4,044,803.80	11.3		
TOTAL		53,324,742		55,939,421	858,278,412.96		886,976,976.44	15.86	7,691,262.38	13.7		
1962												
N	8,825	17,815,069	2,446,837	20,261,906	630,705,865.99	26,329,506.79	657,035,372.78	32.43	3,675,230.53	18.1		
D	10,708	35,990,359	2,446,837	35,990,359	236,476,919.12	26,329,506.79	236,476,919.12	6.57	4,067,669.34	11.3		
TOTAL		53,805,428		56,252,265	867,182,785.11		893,512,291.90	15.88	7,742,899.87	13.8		

N—Notched Money Orders      D—Denominative Money Orders



# EXCHANGE OF MONEY ORDERS BETWEEN CANADA AND OTHER COUNTRIES FOR FISCAL YEARS 1960-1961 AND 1961-1962

Countries	Issued in Canada			Payable in Canada		
	Number		Amount	Number		Amount
	1960-1961	1961-1962	1960-1961 \$ cts.	1961-1962 \$ cts.	1960-1961 \$ cts.	1961-1962 \$ cts.
Antigua.....	342	390	4,603.88	5,146.45	63	450.83
Australia.....	2,458	2,728	34,966.51	40,099.98	2,645	22,125.63
Austria.....	4,113	3,782	101,429.87	96,711.77	602	9,748.57
Bahamas.....	276	317	4,766.42	4,900.85	98	1,442.68
Barbados.....	3,047	3,570	42,042.03	54,283.70	194	804.70
Belgium.....	4,666	4,191	95,264.28	84,345.18	3,928	145,095.56
Bermuda.....	748	882	11,337.14	16,569.61	92	3,617.28
British Guiana.....	2,490	2,867	40,719.51	48,749.89	11	1,482.38
Honduras.....	190	273	4,615.97	8,606.30	168	1,077.42
Denmark.....	2,573	2,431	47,906.80	44,607.94	539	13,864.77
Dominica.....	77	85	1,070.84	1,674.99	4	11.94
Egypt.....	22,953	22,542	1,492.80	2,092.23	1,841	61,780.82
France.....	41,889	37,203	458,849.58	456,458.61	8,961	350,144.55
German Federal Republic.....	384,976	378,595	942,130.24	846,135.36	15,320	208,877.62
Great Britain and Northern Ireland <sup>a</sup> .....	273	303	4,385,884.54	4,499,759.46	12	101.58
Grenada.....	27,365	23,470	3,410.47	4,426.56	1,979	42,394.26
Holland.....	707	870	412,988.86	355,803.02	2,130	42,394.26
Hong Kong.....	75	108	16,490.56	20,246.83	3	20.00
Iceland.....	8,594	8,594	169,463.41	1,298.49	691	3,743.51
Ireland (Republic).....	25,006	22,925	673,494.36	162,915.04	536	3,578.01
Italy.....	15,572	16,380	247,521.57	620,245.40	1,038	55,616.45
Japan.....	11,797	12,751	320,720.77	287,478.26	15	120.04
Malaya.....	220	263	3,684.10	343,526.18	19	216.69
Mexico.....	533	573	13,356.74	5,321.26	7	53.47
Montserrat.....	371	314	4,361.06	11,759.80	40	406.61
Morocco (Kingdom of) <sup>b</sup> .....	80	204	1,334.80	3,696.65	2	5.98
New Zealand.....	1,589	1,856	18,398.42	4,367.33	9	88.43
Norway.....	1,322	1,241	38,607.54	21,029.91	354	6,093.16
Poland.....	1,151	1,374	6,103.55	31,879.05	56	524.02
Rhodesia and Nyasaland (Federation).....	1,526	1,385	26,205.43	7,687.97	30	313.34
St. Kitts-Nevis.....	664	496	17,283.42	26,641.95	150	1,958.53
St. Lucia.....	911	1,067	11,265.03	7,721.82	55	465.57
St. Vincent.....	1,361	1,067	11,265.03	11,815.98	13	22.68
Sweden.....	2,412	1,186	36,309.23	20,263.15	24	180.80
Switzerland.....	2,059	2,494	50,217.27	26,834.04	225	2,908.65
Trinidad.....	7,129	3,316	28,980.77	37,725.17	1,069	24,919.94
Republic of South Africa.....	2,029,480	4,767	117,833.94	75,488.52	220	3,113.21
United States.....	23	1,878,314	20,014,183.32	17,882,336.97	343	5,473.26
Virgin Islands.....	3,899	20	182.73	17,882,336.97	225,258	4,543,992.63
Yugoslavia.....	2,614,679	4,175	81,259.64	95,871.30	31	802.57
		2,446,837	28,698,563.48	26,329,506.79	265,473	5,505,224.35
					268,429	5,940,795.78

Great Britain and Northern Ireland—including British possessions and other countries using British Exchange facilities

Kingdom of Morocco—Direct service effective 1st November 1960.

OPERATIONS OF THE POST OFFICE SAVINGS BANK FOR THE TEN FISCAL YEARS  
ENDED MARCH 31, 1962

Year Ending 31st March	Balance on deposit beginning of Fiscal Year		Amount of Deposits		Interest Allowed to Depositors		Amount of Withdrawals		Balance on deposit end of Fiscal Year		Number of Accounts end of Fiscal Year		Average at credit of depositors end of Fiscal Year		Number of Post Office Savings Banks 31st March
	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.			\$	cts.	
1953.....	38,031,	232.20	11,521,	742.93	741,	954.38	10,972,	699.97	39,322,	229.54	287,	468	136.	79	1,512
1954.....	39,322,	229.54	10,597,	045.60	733,	009.05	12,859,	369.98	37,792,	914.21	291,	602	129.	62	1,495
1955.....	37,792,	914.21	9,402,	227.13	713,	078.63	11,127,	553.80	36,780,	666.17	293,	840	125.	17	1,457
1956.....	36,780,	666.17	9,241,	387.75	698,	775.58	10,556,	369.38	36,164,	460.12	296,	424	122.	00	1,453
1957.....	36,164,	460.12	9,663,	773.62	753,	112.07	10,662,	846.82	35,918,	498.99	298,	700	120.	25	1,440
1958.....	35,918,	498.99	9,097,	663.78	852,	084.85	10,972,	519.00	34,895,	728.62	300,	619	116.	08	1,466
1959.....	34,895,	728.62	8,611,	890.27	820,	954.60	10,172,	956.18	34,155,	617.31	302,	349	112.	97	1,477
1960.....	34,155,	617.31	7,235,	391.37	774,	960.74	12,793,	511.38	29,372,	460.93	302,	611	97.	06	1,484
1961.....	29,372,	460.93	6,199,	420.08	698,	642.84	7,757,	737.74	28,512,	786.11	302,	672	94.	20	1,500
1962.....	28,512,	786.11	5,790,	429.07	675,	928.71	7,614,	024.93	27,365,	118.96	302,	079	90.	59	1,508

## STATEMENT OF POST OFFICE GUARANTEE FUND TRANSACTIONS

### ASSETS ON MARCH 31st, 1961:

Cash on deposit in Post Office Savings Bank.....	\$ 1,844.22	
Bonds at cost adjusted for amortized premium and discount plus accrued interest.....	416,938.25	\$418,782.47

### ADDITIONS:

Interest on bonds.....	16,895.97	
Interest on bank deposits.....	129.56	
Collection of previous years' payments.....	2,397.04	
Profit on sale of bonds.....	174.00	19,596.57
		438,379.04

### DEDUCTIONS:

Sixteen withdrawals to reimburse the Department for losses due to malfeasance on the part of Post Office employees.....	16,440.02
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### ASSETS ON MARCH 31st, 1962

Cash on deposit in Post Office Savings Bank.....	3,954.94	
Bonds at cost adjusted for amortized premium and discount, plus accrued interest.....	417,984.08	421,939.02

## NUMBER OF POST OFFICES

Province	Number of Post Offices in operation on March 31, 1961.	Number of Post Offices established from April 1, 1961 to March 31, 1962.	Number of Post Offices closed from April 1, 1961 to March 31, 1962.	Number of Post Offices in operation on March 31, 1962.
Newfoundland.....	654	11	5	660
Prince Edward Island.....	106	1	—	107
Nova Scotia.....	901	4	36	869
New Brunswick.....	568	1	14	555
Quebec.....	2,408	32	26	2,414
Ontario.....	2,651	61	32	2,680
Manitoba.....	809	6	11	804
Saskatchewan.....	1,276	6	16	1,266
Alberta.....	1,071	18	19	1,070
British Columbia.....	916	19	19	916
Yukon.....	20	—	—	20
Northwest Territories.....	41	—	1	40
TOTAL.....	11,421	159	179	11,401

## INVESTIGATIONS 1961-62

TABLE I

No. of Cases carried from previous fiscal year	No. of Cases Current fiscal year	No. of Employees Dismissed without pros.	No. of Persons prosecuted	No. of Charges laid	No. of Charges withdrawn	No. of Acquittals	No. of Convictions	No. of Charges in Court
573	1,598	57	*324	702	46	16	508	132

\*Of these prosecutions, 45 were of Post Office personnel charged with theft, opening, delaying, secreting and abandoning of mail, misappropriation of public funds and other miscellaneous offences.

TABLE II

Offence	No. of Cases Investigated	No. of Persons Prosecuted	No. of Charges laid	No. of Withdrawals	No. of Acquittals	No. of Convictions	No. of Charges in Court
Theft of mail.....	161	72	149	8	3	129	9
Opening, Delaying and Secret- ing.....	55	6	6	1	—	5	—
Financial Irregularities.....	695	13	23	—	—	20	3
Burglaries and Robberies.....	558	110	135	9	4	95	27
Receiving and Possession.....	43	37	55	7	1	40	7
Forgery & Uttering.....	152	49	266	20	1	165	80
Miscellaneous.....	507	37	68	1	7	54	6
TOTAL.....	2,171	324	702	46	16	508	132

ENQUIRIES DIVISION  
STATEMENT OF INDEMNITIES  
REGISTERED: INSURED: C.O.D. SERVICES  
FISCAL YEAR 1961-1962

1. REGISTERED

(a) Domestic mails		
Number of indemnity claims paid.....		177
Amount of indemnity paid.....		\$ 3,528.93
Paid from Departmental Funds.....	\$ 2,779.82	
Indemnity recovered.....	749.11	
(b) International mails		
Number of indemnity claims paid.....		273
Amount of indemnity paid.....		\$ 1,872.74
Paid from Departmental Funds.....	\$ 667.38	
Indemnity recovered.....	1,205.36	

2. INSURED

(a) Domestic mails		
Number of indemnity claims paid.....		10,810
Amount of indemnity paid.....		\$167,727.92
Paid from Departmental Funds.....	\$147,955.48	
Indemnity recovered.....	19,772.44	
(b) International mails		
Number of indemnity claims paid.....		90
Amount of indemnity paid.....		\$ 1,311.29
Paid from Departmental Funds.....	\$ 870.41	
Indemnity recovered.....	440.88	

3. C.O.D.

Number of indemnity claims paid.....		3,024
Amount of indemnity paid.....		\$ 31,470.50
Paid from Departmental Funds.....	\$ 26,472.35	
Indemnity recovered.....	4,998.15	
Total number of indemnity claims paid.....		14,374
Total indemnity paid.....		\$205,911.38
Total indemnity recovered.....		27,165.94
Paid from Departmental Funds.....		\$178,745.44

HOUSEHOLDER DIRECTORIES  
SALE AND DISTRIBUTION

(Years ended March 31, 1961 and 1962)

	1960-1961	1961-1962
Newfoundland.....	340	313
Prince Edward Island.....	89	147
Nova Scotia.....	415	363
New Brunswick.....	352	357
Quebec.....	1,532	1,552
Ontario.....	3,112	2,600
Manitoba.....	557	648
Saskatchewan.....	1,103	1,003
Alberta.....	1,329	1,372
British Columbia.....	877	853
Yukon and MacKenzie River, N.W.T.....	33	29
TOTALS.....	9,739	9,237



## REPORTED REVENUE FROM SALE AND USE OF HOUSEHOLDER DIRECTORIES, HOUSEHOLDER NUMBER BOOKLETS AND LETTER CARRIER WALK LISTS.

	1960-1961	1961-1962
	\$ cts.	\$ cts.
Sale of householder Directories.....	15,126.50	14,226.00
Mailings from householder Directories, Householder Number Booklets and Letter Carrier Walk Lists.....	5,836,209.25	6,212,834.61
TOTALS.....	5,851,335.75	6,227,060.61

## UNDELIVERABLE MAIL OFFICE TRANSACTIONS 1961-62

1. INTERNATIONAL MAIL MATTER—	
of Foreign and Domestic origin undeliverable in Canada and abroad	
Foreign origin.....	2,803,035
Canadian origin.....	202,411
2. DOMESTIC MATTER—	
Undeliverable as addressed.....	12,129,344
	15,134,790
3. UNCLAIMED PARCELS—	
Of Canadian origin undeliverable in Canada and abroad....	61,575
4. CASH STATEMENT—	
(a) Cash found in Undeliverable Mail.....	\$ 42,302.59
(i) Cash refunded.....	\$28,324.30
(ii) Cash unclaimed.....	13,978.29
(b) Revenue collected on returned undeliverable mail.....	24,915.79
(c) Proceeds of sale of unclaimed articles.....	9,516.35

## PURCHASING AND STORES

The following expenditures were made during the fiscal year 1961-62

Freight, Express and Cartage.....	\$ 66,223.58
Publication of Departmental Reports and Other Material.....	99,631.87
Householder Leaflets and Other Material.....	41,299.19
Office Stationery Supplies and Equipment.....	600,223.98
Portion of Rental of Storage Space.....	NIL
Mail Bags, Uniforms and Other Material and Supplies.....	2,276,533.85
Portion of Acquisition of Equipment.....	1,158,033.73
Rural Mail Delivery Boxes.....	152,500.00
Repairs and Upkeep of Equipment.....	252,518.90
Rental of Equipment.....	69,188.67
Sundry Operating and Administrative Materials.....	10,076.55
Postage Meter and Postage Register Supplies.....	26,743.64
Total for the year 1961-62.....	4,752,973.96
Total for the year 1960-61.....	4,178,877.88



## AIR MAIL STATISTICS

Service	1960-61		1961-62	
	Mail Carried	Cost	Mail Carried	Cost
		\$		\$
T.C.A. Domestic.....	9,522,328 (Ton Miles)	6,980,000	9,903,697 (Ton Miles)	7,060,000
T.C.A. International....	1,277,212 (Pounds)	3,254,868	1,248,643 (Pounds)	3,152,570
C.P.A. Domestic.....	366,626 (Ton Miles)	907,218	277,568 (Ton Miles)	915,501
C.P.A. International....	304,135 (Pounds)	754,804	279,820 (Pounds)	657,204
Others.....	1,046,274 (Ton Miles)	1,857,749	1,102,266 (Ton Miles)	1,923,689
	—	13,754,639	—	13,708,964

## CITIES SERVICE STATISTICS

Service	1960-61		1961-62	
	No. of Services	Cost	No. of Services	Cost
		\$		\$
Parcel Post Delivery.....	164	5,011,498	170	5,103,185
Street Collections.....	318	2,475,622	332	2,720,884
Conveyance of Letter Carriers.....	175	855,130	178	915,089
Other City Services.....	222	2,821,223	229	2,939,902
	879	11,163,473	909	11,679,060

## HIGHWAY SERVICE STATISTICS

	No. of Services	Cost
		\$
1960-61.....	381	4,443,027
1961-62.....	390	4,739,027

## LAND MAIL SERVICE STATISTICS

### RURAL MAIL SERVICES (Including Suburban Services)

	1960-61	1961-62
Number of routes.....	5,600	5,637
Number of extensions.....	1,160	1,142
Number of Householders.....	617,632	635,009
Cost of Rural Mail Service.....	\$ 9,834,510	\$10,134,776

There were 69 new routes established and 32 routes amalgamated or discontinued in 1961-62.

### SIDE SERVICES

	1960-61	1961-62
Number of Services.....	2,075	1,913
Cost of Side Services.....	\$ 1,383,881	\$ 1,245,823

### STAGE SERVICES

	1960-61	1961-62
Number of Services.....	1,966	1,908
Cost of Stage Services.....	\$ 2,220,617	\$ 2,321,670

Reduction in number of side and stage services caused by withdrawal of train services by railways and the discontinued use of certain trains due to unsuitable mail facilities and schedules.

## RAILWAY MAIL SERVICE STATISTICS

	1960-61	1961-62
Railway Post Offices in Operation.....	65	60
Baggage Car Services.....	340	332
Number of Railway Mail Clerks.....	647	608
Miles Travelled by Railway Mail Clerks.....	29,690,405	27,104,635
Cost of Mail Service by Railway.....	\$16,079,744	\$15,590,470

## WATER SERVICE STATISTICS

	1960-61	1961-62
Number of Domestic Water Routes.....	46	44
Cost of Domestic Water Service.....	\$ 1,226,038	\$ 1,169,106
Cost of International Water Service.....	\$ 1,488,387	\$ 1,432,386
Top Wharfage.....	\$ 66,874	\$ 65,923
Total Cost—Mail Service by Water.....	\$ 2,781,299	\$ 2,667,415









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Government  
Publications



# REPORT OF THE POSTMASTER GENERAL

1962/63







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1964



CANADA

OFFICE OF THE POSTMASTER GENERAL  
CABINET DU MINISTRE DES POSTES

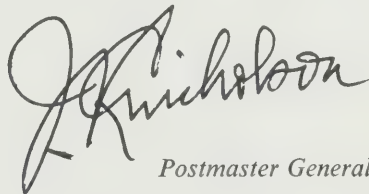
*To His Excellency Major General  
Georges P. Vanier, D.S.O., M.C., L.L.B., L.L.D.,  
Governor General and Commander-in-Chief of Canada*

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour to forward to Your Excellency the accompanying report of the Post Office Department of Canada for the year ended March 31, 1963, which is respectfully submitted.

I have the honour to be, Sir,

Your Excellency's Most Obedient Servant,



*J. R. Nicholson*  
Postmaster General

Post Office Department

Ottawa, February 27th, 1964







CANADA

DEPUTY POSTMASTER GENERAL  
SOUS-MINISTRE DES POSTES

Confederation Heights,  
Ottawa 8, Ontario

*To the Honourable Azellus Denis, B.A., LL.B., P.C., M.P.,  
Postmaster General of Canada*

SIR:

I have the honour to submit the annual report of the Post Office Department of Canada for the fiscal year ended March 31, 1963.

The year 1962-63, was, to the Post Office Department, a most significant year of re-organization. Following the report of the Royal Commission on Government Organization, every effort was made to incorporate these recommendations of the Commission which pertained to the Department and which did not require legislation.

The changes made emphasized, to a great extent, the decentralization of authority and responsibility to officers in the Field. At Headquarters, functions such as those of Postal Service Requirements, Engineering and Transportation have been placed under the jurisdiction of the Assistant Deputy Postmaster General, who is directly responsible for all operating facets of the Department. Other functions, including Accounting, Budget, Postal Rates and Classifications, as well as Systems and Procedures, became the responsibility of the Comptroller. Reporting directly to my office are the Directors of Planning and Special Projects, Management Audit Service, Personnel and the Chief of Public Relations.

The assignment of more authority to District Directors and senior Postmasters is expected to permit many decisions to be made in the Field, leaving only questions of policy for Headquarters. The main impact of the decentralization forces is being felt in the operating branches. The flow of authority is from the Assistant Deputy Minister through District Directors to Postmasters as the situation applies.

As you will realize, these changes will also mean major reassignments of certain functions within the Department. These changes are outlined later in this report.

Despite the increased costs of operation and the ever-increasing demands placed on our service, I am pleased to report that our total receipts for the year 1962-1963 amounted to \$222,358,848.42 while our disbursements totalled \$218,872,399.40, leaving a surplus of \$3,486,449.02. This compares quite favourably with the figures recorded in 1960-61 and 1961-62, which showed deficits of \$4,726,058.49 and \$1,262,971.86 respectively. We must, however, take into account proposed salary increases to post office personnel which, being back-dated to October 1962, may very well offset this surplus and cause a deficit in this fiscal year.


In submitting this report, I feel I must pay tribute to the loyal and efficient work performed by all postal employees throughout our Department. It is due to their sense of duty that the Post Office continues to provide a high standard of service to the Canadian people.

Respectfully submitted,

*Deputy Postmaster General*

May 1st, 1963





## **HEADQUARTERS ORGANIZATION**

On the 1st April 1962, organizational changes proposed by the Department and later recommended by the Royal Commission on Government Organization were put into effect. Based largely on the decentralization of Headquarters services, these changes are illustrated by the following charts and will show the organization set up at Headquarters and in the Field.

Under the old organization, 32 officers reported directly to the Deputy Postmaster General. This number has been reduced to six. Included are the Director of Planning and Special Projects, the Assistant Deputy Postmaster General, the Comptroller, Director of Management Audit, Director of Personnel and the Chief of Public Relations.

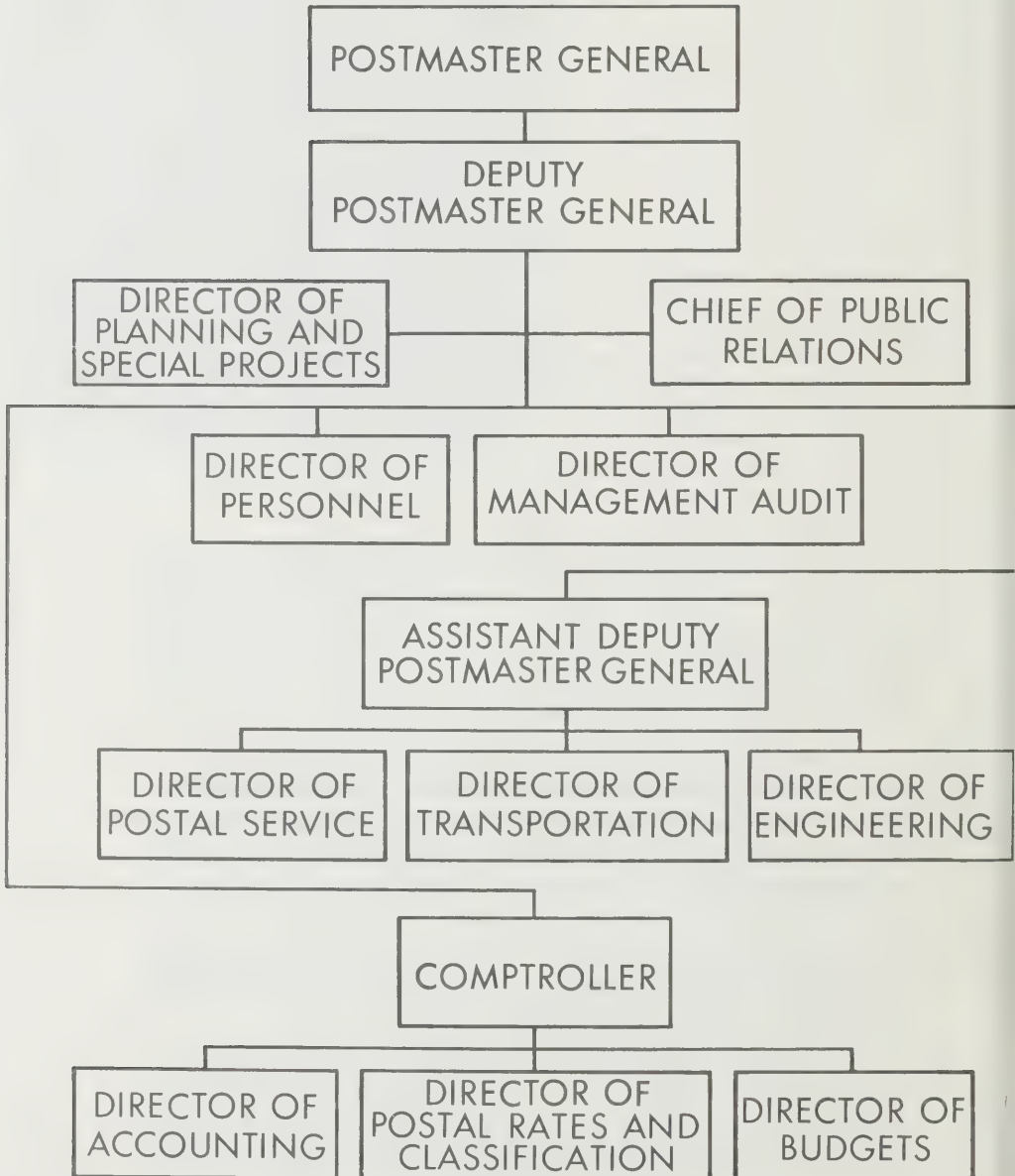
This new system will permit the Deputy Postmaster General and senior Headquarters officers to devote more time to the formulation of policy and to long-range planning.

All operating functions, such as Postal Service Requirements, Transportation and Engineering become the responsibility of the Assistant Deputy Postmaster General. Also reporting directly to the Assistant Deputy Postmaster General are the Planning (Operations)

Branch, 14 District Directors of Postal Service in the Field and the Postmasters at Toronto and Montreal.

The Comptroller has been charged with the functions of Postal Rates and Classification, Accounting, Budgets, and Systems and Procedures.

## HEADQUARTERS





# **FIELD ORGANIZATION**

Since decentralization of authority is the basic concept in the reorganization, the major impact of the changes will fall on senior officers of the Field Organization. Field officials are being required to exercise authority in keeping with their responsibilities. The general principle followed in setting up the new Field Organization is the establishment of a direct operational chain of command from one authority at Headquarters to the Postmasters through the District Directors and the Supervisory Postmasters. It should be noted, however, that many accounting and related operations remain centralized at Headquarters.

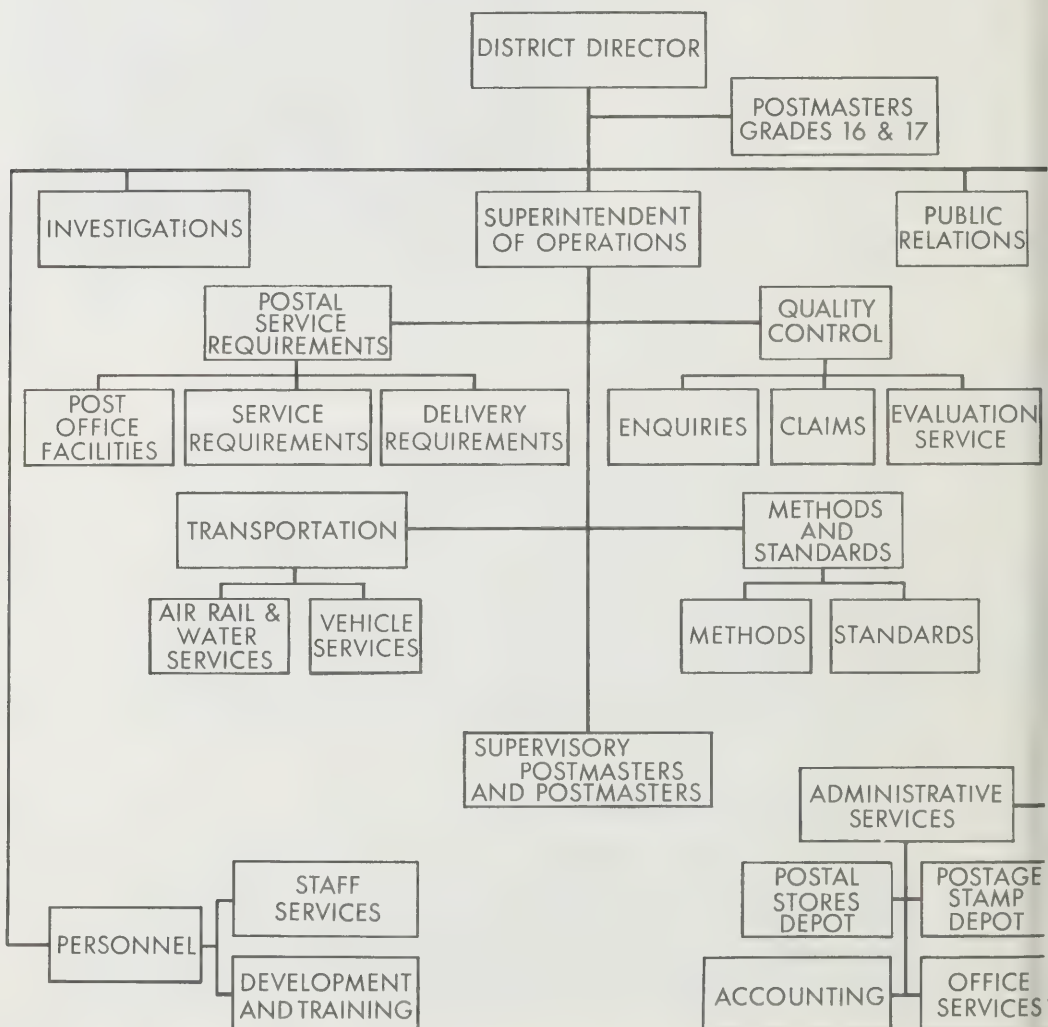
The following chart shows the organization of a typical District Office under the new system.

In so far as the organization of post offices is concerned, fewer important changes were made in the case of offices up to and including grade 15 post offices. The greater changes were made in offices grades 16, 17 and 18. A major change in these large offices has been the establishment of positions known as "Operations

Managers” whose duties include the overall supervision of postal operations under the direction of the Postmaster. This allows Postmasters in major cities to concentrate on the administration of departmental policies in the Field and to ensure that standards of service and performance are met at all times.

Another new position introduced in large post offices is the Supervisor of Methods and Standards. The main task of these officers is the development of improved methods of mail processing, sortation and delivery. These officers, as well as the Personnel and Public Relations Officers, report directly to the Postmaster. All line supervisors report to the Operations Manager. (Chart—Organization of P.O. 17-18).

## DISTRICT OFFICE





## **HIGHLIGHTS FOR 62/63**

Although the Postmasters' Budgetary System has now been built up to the point where it is in operation in all Staff Post Offices and in all Postal Districts, it still does not cover all areas of postal expenditure. In order that the system be made complete, a special study was begun during the last month of the year to develop a budgetary system which, in addition to being complete as far as covering all postal expenditures is concerned, will also be a more sophisticated and comprehensive system. It is planned that in all the larger post offices, budgetary forecasts and budgetary expenditures will be analysed into the areas of responsibility of the principal officials within those post offices, and that budgetary controls will be applied accordingly.

A new Data Processing Division was formed to replace the Mechanical Audit Section of the Cash Account Division. The purpose of the Division is to supply all the Data Processing needs of the Department. The majority of the work done is for the Accounting Branch in the maintenance of accounts, auditing of records and preparation of salary warrants. During the year, the

tasks assigned this Division were extended beyond the normal requirements of the Accounting Branch to include an analysis of enquiries of lost mail for the Quality Control Division.

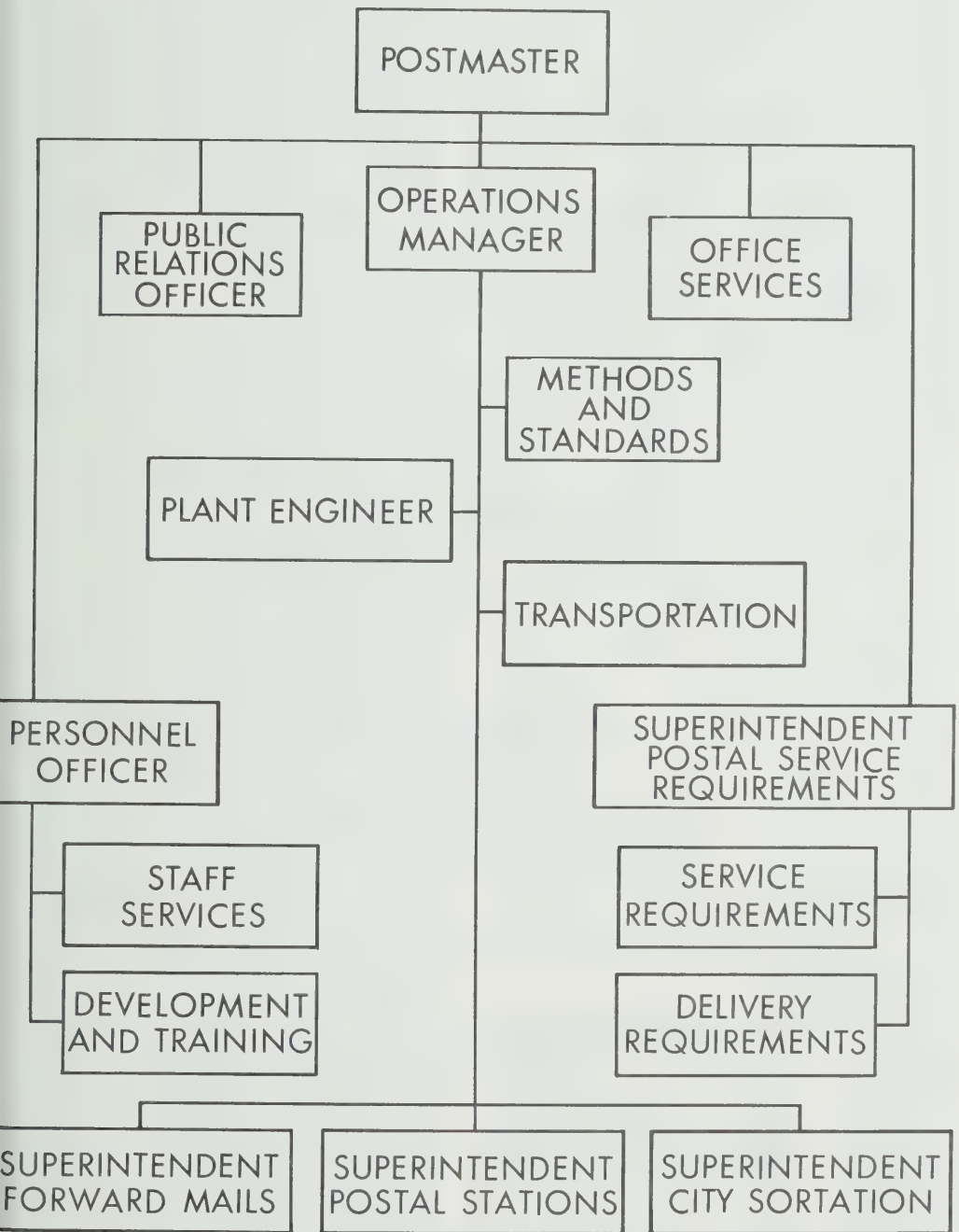
During the year, responsibility for the development of subjects for illustration on postage stamps and the procurement of stamp designs was transferred from the Postage Stamp Division to Public Relations Branch. Eight new postage stamps were issued during the year. Details of sales and designs appear on pages 14 and 15.

Letter carrier service was inaugurated at Summerside, P.E.I., Oromocto, N.B., Thornhill, Ont., Ste. Rose, P.Q., and Hawkesbury, Ont. In addition, 207 additional letter carrier walks were placed in operation, bringing to 3,113,765 the number of calls where letter carriers provide door-to-door mail delivery. The 5,640 rural routes now in operation across Canada has brought this service to an all time high, serving 645,115 householders.

Post Office activities in the field of labour relations saw improved procedures in regard to truck drivers who are employed by contractors for major mail transportation services. Clauses have been inserted in the post office contracts with carriers establishing a minimum hourly wage determined by the Department of Labour. Other clauses incorporated in the contracts deal with annual holidays with pay.

Installation of the automatic segregating/grading/facing/cancelling equipment at Winnipeg (Sefacan) began in January 1963. This work proceeded on schedule and the equipment is now under acceptance trials. Preparation for the use of the equipment has led to further research and development work on the protection of postage stamps designed to facilitate automatic letter processing.

# POST OFFICES GRADES 17-18



# POSTAGE STAMP ISSUES



## HER MAJESTY, QUEEN ELIZABETH II

**DATE OF ISSUE** — 4th February, 1963  
**DESIGNED BY** — Ernst Roch — Montreal  
**COLOUR** — Brown  
**PLATE NUMBERS** — 1 and 2  
**PANES OF** — 100 Stamps



## HER MAJESTY, QUEEN ELIZABETH II

**DATE OF ISSUE** — 4th February, 1963  
**DESIGNED BY** — Ernst Roch — Montreal  
**COLOUR** — Red  
**PLATE NUMBERS** — 1 and 2  
**PANES OF** — 100 Stamps



## SIR CASIMIR GZOWSKI

**DATE OF ISSUE** — 5th March, 1963  
**DESIGNED BY** — Philip Weiss — Ottawa  
**PLATE Nos.** — 1  
**PANES OF** — 100 Stamps  
**QUANTITY OF STAMPS ORDERED** —  
 27,000,000

## RED RIVER SETTLEMENT · 1812



LA COLONIE DE LA RIVIÈRE ROUGE · 1812

## RED RIVER SETTLEMENT

**DATE OF ISSUE** — 3rd May, 1962  
**DESIGNED BY** —  
 Phillips-Gutkin & Associates Ltd.,  
 Winnipeg, Man.  
**COLOUR** — Brown and Green  
**PLATE Nos.** — 1  
**PANES OF** — 50 Stamps  
**QUANTITY OF STAMPS ORDERED** —  
 30,000,000

# FOR 1962-1963

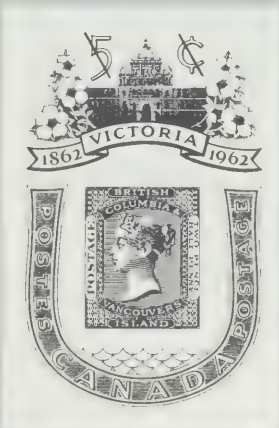
## HER MAJESTY, QUEEN ELIZABETH II

DATE OF ISSUE — 3rd October, 1962  
 DESIGNED BY — Ernst Roch — Montreal  
 COLOUR — Blue  
 PLATE NUMBERS — 1 and 2  
 PANES OF — 100 Stamps



## CENTENARY OF VICTORIA, B.C.

DATE OF ISSUE — 22nd August, 1962  
 DESIGNED BY — Helen Bacon — Toronto  
 COLOUR — Black & Rose  
 PLATE Nos. — 1  
 PANES OF — 50 Stamps  
 QUANTITY OF STAMPS ORDERED —  
 25,000,000



## JEAN TALON

DATE OF ISSUE — 13th June, 1962  
 DESIGNED BY — Philip Weiss — Ottawa  
 COLOUR — Blue  
 PLATE Nos. — 1  
 PANES OF — 100 Stamps  
 QUANTITY OF STAMPS ORDERED —  
 32,000,000



## TRANS-CANADA HIGHWAY

DATE OF ISSUE — 31st August, 1962  
 DESIGNED BY — A. L. Pollock — Toronto  
 COLOUR — Black and Gold  
 PLATE Nos. — 1  
 PANES OF — 50 Stamps  
 QUANTITY OF STAMPS ORDERED —  
 25,000,000







## APPENDIX

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# STATEMENT OF REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease*
	1961-62	1962-63	
	\$	\$	\$
Postage Receipts:			
From the sale of Postage Stamps .....	88,573,174.71	91,723,497.24	3,150,322.53
From the sale of Meter and Register Impressions....	90,426,489.25	95,601,960.19	5,175,470.94
In Cash:			
—First Class Matter .....	2,336,985.16	2,452,885.03	115,899.87
—Second Class Matter (newspapers and periodicals).....	8,036,122.73	8,386,125.50	350,002.77
—Third Class Matter (books, catalogues, circulars and other printed matter).....	9,015,882.17	9,394,094.51	378,212.34
—Fourth Class Matter (mailings under special permit at parcel post rates).....	184,487.66	143,587.21	40,900.45
TOTAL POSTAGE RECEIPTS.....	198,573,141.68	207,702,149.68	9,129,008.00
Rental of Post Office Boxes.....	1,985,861.28	2,027,504.25	41,642.27
Fees on Postal Money Orders.....	7,742,899.87	7,711,216.49	31,683.38
Commission collected from foreign countries on foreign money orders payable in Canada.....	3,922.07	5,812.67	1,890.60
Profit in Exchange on postal transactions with other countries.....	221,217.94	164,499.36	56,718.58
Credits on parcels received from foreign countries for delivery in Canada.....	2,248,367.84	2,179,708.28	68,659.56
Credits for the transit of foreign Air Mail in Canada and other transit charges.....	1,582,164.32	1,351,926.05	230,238.27
Sale of Rural Mail Boxes.....	73,240.00	72,884.00	356.00
Miscellaneous Revenue:			
—From the Unemployment Insurance Commission for distributing and selling Unemployment Insurance stamps and meter impressions.....	956,930.42	944,347.55	12,582.87
—From the Department of Labour for collecting Government Annuity Premiums.....	65,543.12	70,481.64	4,938.52
—Sundry Revenue Items.....	64,705.92	69,274.18	4,568.26
TOTAL REVENUE RECEIPTS.....	213,517,994.46	222,299,804.15	8,781,809.69
Other Receipts:			
Return on Investments.....	1,880.34	2,945.46	1,065.12
Proceeds from Sales.....	21,086.60	21,277.08	190.48
Refund of previous year's Expenditure and from Appropriation.....	11,144.23	11,318.99	174.76
Miscellaneous.....	27,339.88	23,502.74	3,837.14
TOTAL OTHER RECEIPTS .....	61,451.05	59,044.27	2,406.78

# STATEMENT OF DISBURSEMENTS FROM REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease*
	1961-62	1962-63	
	\$	\$	\$
Salaries and Allowances paid to:			
Revenue Post Offices.....	9,489,283.48	9,458,355.07	30,928.41*
Semi-Staff Post Offices.....	12,530,089.69	12,373,240.28	156,849.41*
Sub Post Offices.....	3,151,273.48	3,407,277.94	256,004.46
Discount allowed to vendors of Postage Supplies .....	38,256.49	31,272.07	6,984.42*
Compensation paid to messengers for special delivery of letters and parcels.....	887,620.11	993,864.52	106,244.41
Losses by fire, theft, forgery, etc.....	105,471.22	193,134.15 <sup>1</sup>	87,662.93
Commission paid to foreign countries on Canadian money orders payable in those countries.....	34,313.51	33,457.04	856.47*
Charges on parcels mailed in Canada for delivery in foreign countries.....	1,916,716.10	1,533,518.56	383,197.54*
Charges for the transit of Canadian mail through foreign countries, and on Canadian air mail carried to or through foreign countries.....	1,507,288.34	1,302,328.47	204,959.87*
Demergments paid in respect of lost, insured and C.O.D. parcels and registered articles.....	178,745.44	201,541.02	22,795.58
TOTAL DISBURSEMENTS FROM REVENUE RECEIPTS.....	29,839,057.86	29,527,989.12	311,068.74*

<sup>1</sup> Of this amount, \$151,144 represents postage supplies stolen, which in most cases never would be used, \$1,767 of postage supplies destroyed by fire and \$1,577 of postage supplies lost through other sources. The balance of \$38,646 represents actual loss of funds.

# STATEMENT OF DISBURSEMENTS FROM PARLIAMENTARY APPROPRIATION DURING 1962-63

Classification of Expenditures	Administration	Operations	Transportation	Financial Services	Total
	\$	\$	\$	\$	\$
Postmaster General—Salary and Motor Car Allowance.....	16,131.71*				16,131.71
Miscellaneous Gratuities.....	1,670.00*				670.00
Exchequer Court Awards.....	1,036.19*				1,036.19
Refunds of amounts credited to Revenue in Previous Years.....	2,533.80*				2,533.80
Continuing Establishment.....	1,561,320.32	104,411,118.22	487,710.36	1,663,731.08	108,123,879.98
Casuals and Overtime.....	1,305.22	9,921,809.72	16.22	7,887.85	9,931,019.01
Terminable, Isolated Post and Other Allowances.....		54,808.49			54,808.49
Mileage Allowance.....		360,595.63			360,595.63
Boot Allowance.....		411,587.87			411,587.87
Professional and Special Services.....	35,024.61	6,185.33			41,209.94
Security Transfer of Cash Deposits and use of Night Depository Services.....					
Travelling and Removal Expenses.....	40,940.28	374,453.13	8,863.38	28,222.88	28,222.88
Freight, Express and Cartage.....	2,424.33	63,111.52		852.63	425,109.42
Telephones and Telegrams.....	5,415.35	163,663.63	388.42	654.24	65,535.85
Publication of Departmental Reports and Other Material.....	43,222.46	45,757.89			170,121.64
Publication of Manual of Financial Procedure and Other Material.....					88,980.35
Exhibits, Advertising, Films, Broadcasting and Displays.....					7,126.86
Office Stationery, Supplies and Equipment.....	270,232.28	589,892.64	5,318.67	70,275.03	270,232.28
Rental of Accounting Machines.....	60,127.27			77,373.94	725,913.61
Mail Bags.....		884,404.20			77,373.94
Uniforms and Letter Carrier Satchels.....		528,142.45			884,404.20
Materials and Supplies.....		656,345.28			528,142.45
Money Order Forms.....					656,345.28
Manufacture of Postage Stamps and Stamped Postage Supplies.....					150,234.37
Postage Meter and Postage Register Supplies.....					150,234.37
Rental of Storage Space.....					1,286,833.78
Acquisition of Equipment.....		9,810.23			49,944.79
Rural Mail Delivery Boxes.....		986,346.32			9,810.23
Repairs and Upkeep of Equipment.....			121,307.56		986,346.32
Rental of Equipment.....		259,608.14			121,307.56
School Fees and Public Utility Services.....		113,451.34			259,608.14
Canada's Share of the Upkeep of the International Bureaux at Berne and Montevideo.....	24,877.22				113,451.34
Unemployment Insurance Contributions.....	8,546.10				5,387.36
Sundries.....		142,153.70			
Mail Service by Railway.....		3,404.42			
Mail Service by Ordinary Land Conveyance, including Rural Mail Delivery.....			4.00		
Mail Service by Air.....			15,043,318.43		
Mail Service by Water.....			31,302,780.88		
			14,405,297.08		
			2,560,423.18		
	2,073,807.14	119,992,037.51	63,935,428.18	3,343,137.45	189,344,410.28

# COMPARATIVE STATEMENT OF REVENUE AND DISBURSEMENT

## Fiscal Years Ended in 1954 to 1963

Fiscal Year Ended March 31st	Receipts	Disbursements			Deficit	Surplus
		From Receipts	From Parliamentary Appropriation	Total		
	\$	\$	\$	\$	\$	\$
1954.....	129,889,325.88	18,781,841.94	113,581,752.52	132,363,594.46	2,474,268.58	
1955.....	151,717,273.77	20,402,224.03	123,611,055.02	144,013,279.05		7,703,994.72
1956.....	158,568,356.49	20,871,734.67	127,421,739.45	148,293,474.12		10,274,882.37
1957.....	167,879,869.06	22,056,083.98	139,992,921.28	162,049,005.26		5,830,863.80
1958.....	177,492,783.20	24,572,901.59	153,319,782.83	177,892,684.42	399,901.22	
1959.....	183,380,508.67	25,750,172.90	157,803,478.41	183,553,651.31	173,142.64	
1960.....	193,659,714.92	26,030,662.05	165,792,339.57	191,823,001.62		1,836,713.30
1961.....	202,003,790.65	28,358,132.15	178,371,716.99	206,729,849.14	4,726,058.49	
1962.....	213,579,445.51	29,839,057.86	185,003,359.51	214,842,417.37	1,262,971.86	
1963.....	222,358,848.42	29,527,989.12	189,344,410.28	218,872,399.40		3,486,449.02

NOTE: Lands, buildings and furnishings are provided and paid for by the Department of Public Works, and, consequently such charges are not included in the above disbursements.

Neither does the above statement reflect any revenue that might properly accrue to the Department through the Franking Privilege covering Parliamentary and Government mail or other special services provided by the Post Office Department for other Government Departments and agencies free of charge.

The Franking Privilege is estimated to involve a loss in excess of \$5,000,000 annually to the Department.



# GENERAL OPERATIONS OF THE MONEY ORDER SYSTEM IN CANADA FOR THE PAST FIVE YEARS

Year	Number of Issuing Offices	Number of Money Orders Issued			Value of Money Orders Issued			Average Value per Order	Gross Revenue from Fees	Average Fee per Order
		Payable in Canada	Payable in Other Countries	Total	Payable in Canada	Payable in Other Countries	Total			
					\$	\$	\$	\$	\$	cts.
1959										
N	8,223	16,275,637	2,380,760	18,656,397	597,732,602.49	27,470,837.47	625,203,439.96	33.51	3,445,979.60	18.5
D	10,823	35,089,653	.....	35,089,653	228,240,451.30	.....	228,240,451.30	6.50	3,944,043.54	11.2
TOTAL		51,365,290	2,380,760	53,746,050	825,973,053.79	27,470,837.47	853,443,891.26	15.88	7,390,023.14	13.7
1960										
N	8,468	16,637,881	2,499,758	19,137,639	606,373,688.50	28,084,576.41	634,458,264.91	33.15	3,520,614.36	18.4
D	10,778	35,815,448	.....	35,815,448	234,210,868.42	.....	234,210,868.42	6.54	4,033,487.56	11.3
TOTAL		52,453,329	2,499,758	54,953,087	840,584,556.92	28,084,576.41	868,669,133.33	15.81	7,554,101.92	13.7
1961										
N	8,668	17,452,229	2,614,679	20,066,908	623,645,357.64	28,698,563.48	652,343,921.12	32.51	3,646,458.58	18.2
D	11,098	35,872,513	.....	35,872,513	234,633,055.32	.....	234,633,055.32	6.54	4,044,803.80	11.3
TOTAL		53,324,742	2,614,679	55,939,421	858,278,412.96	28,698,563.48	886,976,976.44	15.86	7,691,262.38	13.7
1962										
N	8,825	17,815,069	2,446,837	20,261,906	630,705,865.99	26,329,506.79	657,035,372.78	32.43	3,675,230.53	18.1
D	10,708	35,990,359	.....	35,990,359	236,476,919.12	.....	236,476,919.12	6.57	4,067,669.34	11.3
TOTAL		53,805,428	2,446,837	56,252,265	867,182,785.11	26,329,506.79	893,512,291.90	15.88	7,742,899.87	13.8
1963										
N	8,895	17,836,114	2,181,962	20,018,076	640,375,233.00	23,503,811.17	663,879,044.17	33.16	3,700,207.61	18.3
D	10,679	35,430,000	.....	35,430,000	234,285,532.83	.....	234,285,532.83	6.61	4,011,008.88	11.3
TOTAL		53,266,114	2,181,962	55,448,076	874,660,765.83	23,503,811.17	898,164,577.00	16.20	7,711,216.49	13.9

N—Notched Money Orders      D—Denominative Money Orders



# EXCHANGE OF MONEY ORDERS BETWEEN CANADA AND OTHER COUNTRIES

## FOR FISCAL YEARS 1961-1962 AND 1962-1963

	Issued in Canada			Payable in Canada		
	Number		Amount	Number		Amount
	1961-1962	1962-1963	1961-1962	1962-1963	1961-1962	1962-1963
Antigua.....	390	449	\$ 5,146.45	\$ 6,496.11	48	\$ 182.53
Australia.....	2,728	2,803	40,096.98	32,253.54	2,699	23,127.83
Austria.....	3,782	3,566	96,717.77	82,024.56	659	10,305.80
Bahamas.....	317	328	4,900.85	6,584.44	344	1,185.11
Barbados.....	3,570	3,743	54,283.70	60,566.20	125	1,368.35
Belgium.....	4,191	3,987	84,345.18	84,811.86	3,749	131,988.58
Belize.....	882	1,084	16,569.61	14,657.28	3,836	141,262.23
British Guiana.....	2,867	2,967	48,749.89	48,424.42	64	1,928.98
British Honduras.....	273	237	8,606.30	4,979.43	81	754.71
Denmark.....	2,431	2,296	44,607.94	45,311.85	517	16,108.01
Dominica.....	85	130	1,674.99	2,216.50	540	19,483.38
Fiji.....	94	107	2,092.23	1,704.00	6	226.32
France.....	22,542	21,737	456,458.61	462,230.40	2,431	75,208.73
German Federal Republic.....	27,503	33,197	846,135.36	747,293.46	11,750	456,569.16
Gibraltar.....	378	303	4,499,759.46	4,166,814.76	16,056	279,104.49
Grenada.....	303	362	4,426.56	7,002.76	2	5.00
Holland.....	23,470	20,895	355,803.02	303,332.46	1	50,228.11
Hong Kong.....	870	805	20,246.83	20,717.68	2,130	57,946.41
Iceland.....	108	805	1,298.49	1,159.87	3	20.00
Ireland (Republic).....	8,594	8,474	162,212.04	160,691.62	536	3,578.01
Italy.....	22,925	23,569	597,212.40	648,333.04	1,500	89,994.15
Jamaica.....	16,380	20,147	287,478.26	343,507.93	23	1,719.82
Japan.....	12,751	11,887	343,526.18	319,081.12	59	934.97
Malaya.....	263	249	5,321.26	9,312.37	13	365.21
Mexico.....	573	493	11,759.80	4,676.70	45	550.46
Montserrat.....	314	360	3,696.65	4,283.75	38	386.49
Morocco (Kingdom of).....	204	185	2,327.91	4,283.75	2	7.96
New Zealand.....	1,856	2,172	21,029.91	27,479.76	1	88.43
Norway.....	1,241	1,138	31,879.05	28,694.46	364	6,127.67
Poland.....	374	339	7,687.97	6,525.40	65	552.77
Romania.....	1,085	1,187	26,641.95	29,425.68	150	1,938.53
St. Kitts-Nevis.....	546	423	7,721.82	5,618.25	317	4,174.23
St. Lucia.....	691	822	11,815.98	14,398.36	22	519.07
St. Vincent.....	1,067	1,019	20,263.15	18,015.85	19	426.41
Sweden.....	1,186	1,064	26,834.04	23,734.07	25	162.95
Switzerland.....	2,494	2,473	57,825.19	55,904.07	283	207.86
Trinidad.....	2,316	2,284	32,709.47	35,915.01	296	3,625.49
Turkey.....	4,767	3,815	75,485.52	61,218.75	1,437	29,878.58
Republic of South Africa.....	1,878,314	1,660,572	17,882,336.97	15,500,830.74	343	5,473.26
United States.....	20	36	174.33	419.10	223,335	4,745,882.19
Virgin Islands.....	4,175	4,177	95,871.30	100,829.59	18	1,204.82
Yugoslavia.....					35	5,328,106.53
						169.13
						5,919.98
						5,328,106.53
						169.13
						5,919.98
						5,328,106.53
						169.13
						5,919.98
						5,328,106.53
						169.13
						5,919.98
						5,328,106.53

<sup>33</sup> Britain and Northern Ireland—including British possessions and other countries using British exchange facilities,

OPERATIONS OF THE POST OFFICE SAVINGS BANK FOR THE TEN FISCAL YEARS  
ENDED MARCH 31, 1963

Year Ending 31st March	Balance on deposit beginning of Fiscal Year	Amount of Deposits	Interest Allowed to Depositors	Amount of Withdrawals	Balance on deposit end of Fiscal Year	Number of Accounts end of Fiscal Year	Average at credit of depositors end of Fiscal Year	Number of Post Office Savings Banks 31st March
	\$	\$	\$	\$	\$		\$	
1954.....	39,322,229.54	10,597,045.60	733,009.05	12,859,369.98	37,792,914.21	291,602	129.62	1,495
1955.....	37,792,914.21	9,402,227.13	713,078.63	11,127,553.80	36,780,666.17	293,840	125.17	1,457
1956.....	36,780,666.17	9,241,387.75	698,775.58	10,556,369.38	36,164,460.12	296,424	122.00	1,453
1957.....	36,164,460.12	9,663,773.62	753,112.07	10,662,846.82	35,918,498.99	298,700	120.25	1,440
1958.....	35,918,498.99	9,097,663.78	852,084.85	10,972,519.00	34,895,728.62	300,619	116.08	1,466
1959.....	34,895,728.62	8,611,890.27	820,954.60	10,172,956.18	34,155,617.31	302,349	112.97	1,477
1960.....	34,155,617.31	7,235,391.37	774,960.74	12,793,511.38	29,372,460.93	302,611	97.06	1,484
1961.....	29,372,460.93	6,199,420.08	698,642.84	7,757,737.74	28,512,786.11	302,672	94.20	1,500
1962.....	28,512,786.11	5,790,429.07	675,928.71	7,614,024.93	27,365,118.96	302,079	90.59	1,508
1963.....	27,365,118.96	5,072,613.01	642,107.08	7,199,359.87	25,880,479.18	301,277	85.90	1,521

# STATEMENT OF POST OFFICE GUARANTEE FUND TRANSACTIONS

ASSETS ON MARCH 31st, 1962:			
Cash on deposit in Post Office Savings Bank.....	\$	3,954.94	
Bonds at cost adjusted for amortized premium and discount plus accrued interest.....	\$	417,984.08	\$ 421,939.02
ADDITIONS:			
Interest on bonds.....	\$	16,795.44	
Interest on bank deposits.....		251.47	
Collection of previous years' payments.....		3,809.64	\$ 20,856.55
DEDUCTIONS:			
Nine withdrawals to reimburse the Department for losses due to malfeasance on the part of Post Office employees.....			\$ 18,924.95
ASSETS ON MARCH 31st, 1963:			
Cash on deposit in Post Office Savings Bank.....	\$	5,787.34	
Bonds at cost adjusted for amortized premium and discount, plus accrued interest.....	\$	418,083.28	\$ 423,870.62

## NUMBER OF POST OFFICES

Province	Number of Offices in operation on March 31, 1962	Number of Post Offices established from April 1, 1962, to March 31, 1963	Number of Post Offices closed from April 1st, 1962, to March 31st, 1963	Number of Post Offices in operation on March 31, 1963
Newfoundland.....	660	6	5	661
Prince Edward Island.....	107	0	0	107
Nova Scotia.....	869	2	41	830
New Brunswick.....	555	1	20	536
Quebec.....	2,414	31	31	2,414
Ontario.....	2,680	50	26	2,704
Manitoba.....	804	7	6	805
Saskatchewan.....	1,266	1	19	1,248
Alberta.....	1,070	16	24	1,062
British Columbia.....	916	12	22	906
Yukon.....	20	0	0	20
Northwest Territories.....	40	3	0	43
TOTAL.....	11,401	129	194	11,336

Total number of Post Offices in operation on 31st March 1962.....	11,401
Total number of Post Offices in operation on 31st March 1963.....	11,336
NET DECREASE.....	65
Number of Post Offices established from 1st April 1962 to 31st March 1963.....	129
Number of Post Offices closed from 1st April 1962 to 31st March 1963.....	194

# INVESTIGATIONS 1962-63

TABLE I

No. of Cases current fiscal year	No. of Employees Dismissed Without pros.	No. of Persons prosecuted	No. of Charges laid	No. of Charges With-drawn	No. of Acquittals	No. of Convictions	No. of Charges in Court
4,870	59	*425	718	40	35	501	142

\*Of these prosecutions, 92 were of Post Office Personnel charged with theft, opening, delaying, secreting and abandoning of mail, misappropriation of public funds and other miscellaneous offences.

TABLE II

Offence	No. of Cases Investigated	No. of Persons Prosecuted	No. of Charges Laid	No. of With-drawals	No. of Acquittals	No. of Convictions	No. of Charges in Court
Theft, Opening, Delaying and Secreting of Mail.....	450	111	228	9	20	138	61
Financial Irregularities.....	379	31	56	3	—	45	8
Burglaries and Robberies.....	689	197	216	19	9	161	27
Receiving and Possession.....	25	16	19	1	2	11	5
Forgery and Uttering.....	310	42	165	7	4	113	41
Miscellaneous.....	3,017	28	34	1	—	33	—
TOTAL.....	4,870	425	718	40	35	501	142

QUALITY CONTROL DIVISION  
STATEMENT OF INDEMNITIES  
REGISTERED: INSURED: C.O.D. SERVICES  
FISCAL YEAR 1962-1963

1. REGISTERED

(a) Domestic mails			
Number of indemnity claims paid.....		158	
Amount of indemnity paid.....			\$ 2,864.25
Paid from Departmental Funds.....	\$ 2,782.81		
Indemnity recovered.....	\$ 81.44		
(b) International mails			
Number of indemnity claims paid.....		390	
Amount of indemnity paid.....			\$ 2,699.85
Paid from Departmental Funds.....	\$ 930.10		
Indemnity recovered.....	\$ 1,769.75		

2. INSURED

(a) Domestic mails			
Number of indemnity claims paid.....		10,347	
Amount of indemnity paid.....			\$173,048.66
Paid from Departmental Funds.....	\$167,609.05		
Indemnity recovered.....	\$ 5,439.61		
(b) International mails			
Number of indemnity claims paid.....		105	
Amount of indemnity paid.....			\$ 2,052.52
Paid from Departmental Funds.....	\$ 1,750.68		
Indemnity recovered.....	301.84		

3. C.O.D.

Number of indemnity claims paid.....		2,818	
Amount of indemnity paid.....			\$ 32,199.24
Paid from Departmental Funds.....	\$ 28,469.38		
Indemnity recovered.....	3,730.86		
Total number of indemnity claims paid.....		13,818	
Total indemnity paid.....			\$212,864.52
Total indemnity recovered.....			11,323.50
Paid from Departmental Funds.....			\$201,541.02

HOUSEHOLDER DIRECTORIES  
SALE AND DISTRIBUTION

(Years ended March 31, 1962 and 1963)

	1961-62	1962-63
Newfoundland.....	313	340
Prince Edward Island.....	147	102
Nova Scotia.....	363	367
New Brunswick.....	357	348
Quebec.....	1,552	1,433
Ontario.....	2,600	2,724
Manitoba.....	648	757
Saskatchewan.....	1,003	1,135
Alberta.....	1,372	1,725
British Columbia.....	853	786
Yukon and MacKenzie River, N.W.T.....	29	36
TOTAL.....	9,237	9,753

# REPORTED REVENUE FROM SALE AND USE OF HOUSEHOLDER DIRECTORIES, HOUSEHOLDER NUMBER BOOKLETS AND LETTER CARRIER WALK LISTS

	1961-62	1962-63
	\$	\$
Sale of Householder Directories.....	14,226.00	15,472.00
Mailings from Householder Directories, Householder Number Booklets and Letter Carrier Walk Lists.....	6,212,834.61	6,468,601.94
TOTAL.....	6,227,060.61	6,484,073.94

## UNDELIVERABLE MAIL OFFICE TRANSACTIONS 1962-63

### INTERNATIONAL MAIL MATTER—

of Foreign and Domestic origin undeliverable in Canada and  
abroad

Foreign origin.....	2,894,998
Canadian origin.....	174,573

### DOMESTIC MATTER—

Undeliverable as addressed.....	12,521,803
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GRAND TOTAL.....	15,591,374
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### UNCLAIMED PARCELS—

Of Canadian origin undeliverable in Canada and abroad.....	69,087
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### CASH STATEMENT—

(a) Cash found in undeliverable mail.....	\$42,446.71
(i) Cash refunded.....	\$28,067.21
(ii) Cash unclaimed.....	14,379.50
(b) Revenue collected on returned undeliverable mail.....	\$22,507.23
(c) Proceeds of sale of unclaimed articles.....	7,972.90

## PURCHASING AND STORES DIVISION

The following expenditures were made during the fiscal year 1962-63

Freight, Express and Cartage.....	\$ 65,535.85
Publication of Department Reports and Other Material.....	96,107.21
Office Stationery, Supplies and Equipment.....	290,032.68
Mail Bags, Uniforms and Other Material and Supplies.....	1,798,004.71
Portion of Acquisition of Equipment.....	958,460.34
Rural Mail Delivery Boxes.....	121,307.56
Repairs and Upkeep of Equipment.....	259,608.14
Rental of Equipment.....	113,451.34
Sundry Operating and Administrative Materials.....	5,966.10
Postage Meter and Register Supplies.....	49,944.79
Printed Forms and Supplies.....	709,896.26
Total for the year 1962-63.....	4,468,314.98
Total for the year 1961-62.....	4,752,973.96



## AIR MAIL STATISTICS

Service	1961-62		1962-63	
	Mail Carried	Cost	Mail Carried	Cost
		\$		\$
T.C.A. — Domestic .....	9,903,697 (ton miles)	7,060,000	10,746,096 (ton miles)	7,230,000
T.C.A. — International	1,248,643 (pounds)	3,152,570	1,404,805 (pounds)	3,281,136
C.P.A. — Domestic .....	377,568 (ton miles)	915,501	408,727 (ton miles)	1,008,376
C.P.A. — International	279,820 (pounds)	657,204	369,180 (pounds)	845,396
Others.....	1,102,266 (ton miles)	1,923,689	1,200,315 (ton miles)	2,040,389
		13,708,964		14,405,297

## CITY SERVICE STATISTICS

	1961-62		1962-63	
	No. of Services	Cost	No. of Services	Cost
		\$		\$
Parcel Post Delivery.....	171	5,103,185	185	5,429,261
Street Collections.....	330	2,720,884	356	2,907,320
Conveyance of Letter Carriers.....	197	915,089	209	966,267
Other City Services (PO-Stns—Wharves—Shuttle etc.).....	234	2,939,902	245	2,996,066
		11,679,060		12,298,914

## HIGHWAY SERVICE STATISTICS

	No. of Services	Cost	Increase
		\$	\$
1961-52.....	390	4,739,027	
1962-63.....	407	5,016,027	277,000

## RURAL SERVICE STATISTICS

### RURAL MAIL DELIVERY (Including Suburban Services)

	1961-62	1962-63
Number of Routes.....	5,637	5,640
Number of Extensions.....	1,142	1,094
Number of Householders.....	635,109	645,115
Cost of Rural Mail Delivery.....	\$10,134,776	\$10,434,558

## SIDE SERVICES

	1961-62	1962-63
Number of Services.....	1,913	1,682
Cost of Side Services.....	\$ 1,245,822	\$ 1,160,314

## STAGE SERVICES

	1961-62	1962-63
Number of Services.....	1,904	1,874
Cost of Stage Services.....	\$ 2,321,670	\$ 2,392,907

## RAILWAY MAIL STATISTICS

	1961-62	1962-63
Railway Post Offices in Operation.....	60	49
Baggage Car Services.....	332	315
Number of Railway Mail Clerks.....	608	553
Miles Travelled by Railway Mail Clerks.....	27,104,635	24,039,708
Cost of Mail Service by Railway.....	\$15,590,470	\$15,043,318

## WATER SERVICE STATISTICS

	1961-62	1962-63
Number of Domestic Water Routes.....	44	42
Cost of Domestic Water Service.....	\$ 1,169,106	\$ 1,092,706
Cost of International Water Service.....	1,432,386	1,404,245
Cost of Top Wharfage.....	65,923	63,472
Total Cost—Mail Service by Water.....	\$ 2,667,415	\$ 2,560,423







REPORT OF THE POSTMASTER GENERAL FOR THE YEAR ENDING MARCH 31 . 19



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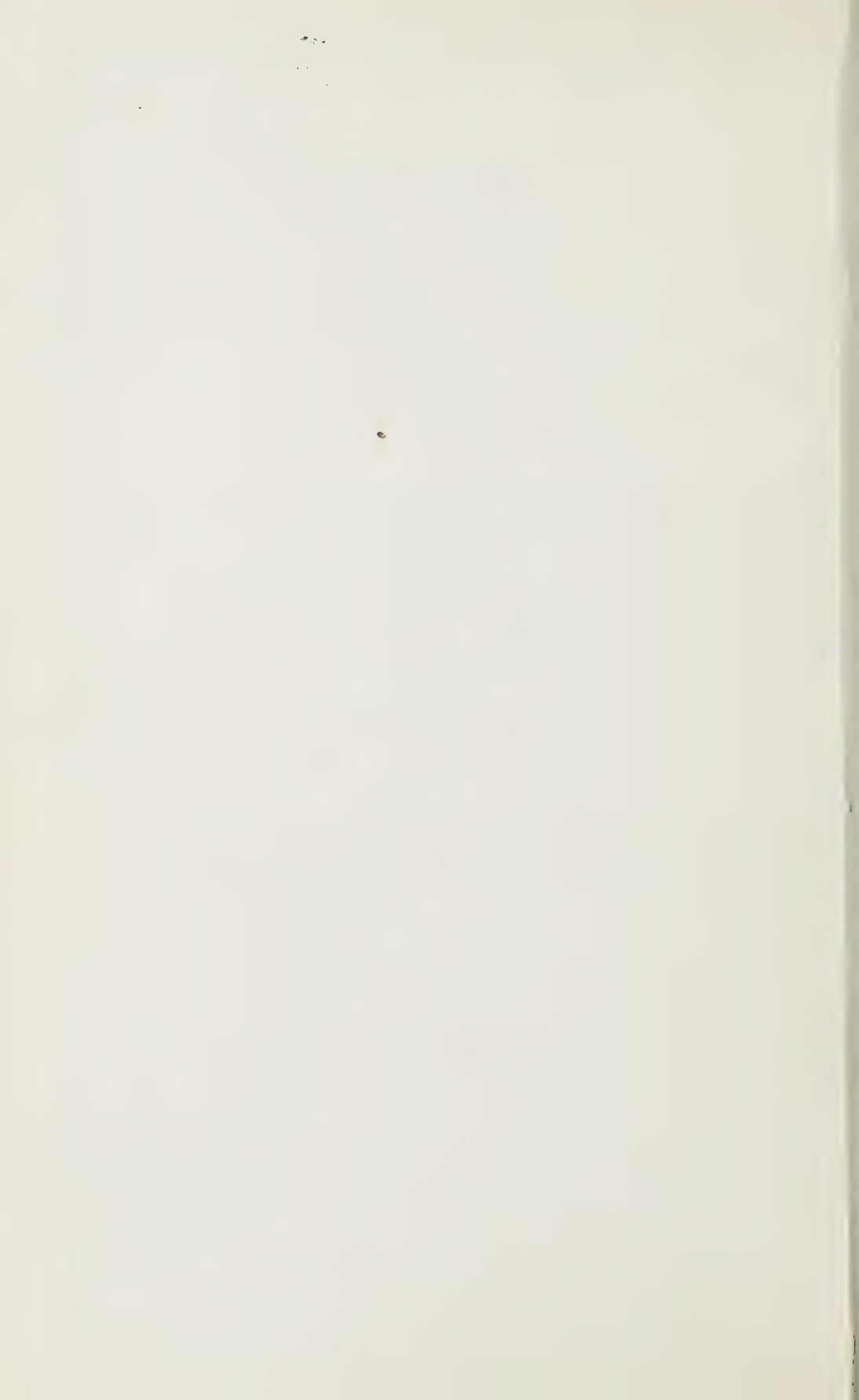


Government  
Publications

# 1965

**REPORT**  
**OF THE**  
**POSTMASTER GENERAL**  
**FOR THE YEAR ENDED**  
**MARCH 31, 1965**







# 1965

## REPORT

### OF THE

# POSTMASTER GENERAL

## FOR THE YEAR ENDED

## MARCH 31, 1965

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CANADA

OFFICE OF THE POSTMASTER GENERAL  
CABINET DU MINISTRE DES POSTES

*To His Excellency Major General  
Georges P. Vanier, D.S.O., M.C., L.L.B., L.L.D.,  
Governor General and Commander-in-Chief of Canada.*

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour to forward to Your Excellency the accompanying report of the Post Office Department of Canada for the year ended March 31st 1965, which is respectfully submitted.

I have the honour to be, Sir,

Your Excellency's Most Obedient Servant,

A handwritten signature in cursive script, reading "René Humphrey".

*Postmaster General*

Post Office Department  
Ottawa, 30th November, 1965





CANADA

DEPUTY POSTMASTER GENERAL  
SOUS-MINISTRE DES POSTES

Confederation Heights  
Ottawa 8, Ontario

*The Honourable René Tremblay, P.C., M.P.*  
*Postmaster General of Canada*

SIR:

I have the honour to submit the annual report of the Post Office Department of Canada for the fiscal year ended March 31st, 1965, covering the operations and services performed.

The financial statement records an improvement over last year when, following the recommendations of the Glassco Commission, the Post Office Department adopted a more representative form for the reporting of its financial position. Revenue receipts and adjustments totalled \$268.1 million this year, with a comparative figure of \$239.7 million for the previous year. Much of the increased revenue was due to the increased postal rates which became effective at the beginning of the year.

Disbursements, with adjustments, totalled \$279.6 million in the year just past, while for 1963-64 the figure was \$277.2 million which included \$5.1 million in salary increases paid during that year but which were retroactive to the previous year. The net result is a deficit of \$11.5 million as compared to the recorded deficit of \$37.5 million for 1963-64. If due allowances were made for retroactive salary increases, the deficit for 1964-65 would be \$17.7 million as against \$32.4 million for 1963-64.

The report shows a steady march towards full implementation of the recommendations of the Glassco Commission and a continued expansion of postal facilities, so necessary to service Canada's growing rural and urban populations.

Respectfully submitted,

*Deputy Postmaster General*





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## INTRODUCTION

The Canada Post Office is organized to provide, wherever required within the boundaries of Canada, a postal service for the Canadian people. By participation in such world postal organizations as the Universal Postal Union and the Postal Union of the Americas and Spain, the Canada Post Office links Canadians to the other peoples of the world. It is a large, viable organization, structured on modern business lines and operating within the legislative framework of the Canada Post Office Act.

The organization which supports the postal service in Canada has been decentralized. At Headquarters in Ottawa, Ontario, the Deputy Postmaster General is responsible for the operation of the Department and reports directly to the Postmaster General. To assist in the operation of the Department, there is, at Headquarters in Ottawa, an Assistant Deputy Postmaster General and a Comptroller, with nine directors whose duties and responsibilities are described in this report.

Assisting at selected centres across Canada are fourteen District Directors and five District Postmasters. These field officers are responsible to the Assistant Deputy Postmaster General for the operation of the postal service within their respective areas.

FINANCIAL STATEMENT OF THE POST OFFICE  
DEPARTMENT  
FOR THE YEAR ENDING MARCH 31st, 1965

REVENUES			
Postal revenues from all sources.....	\$263,757,300		
Value of mail and other services provided free of charge to other government departments.....	4,315,600		
TOTAL REVENUE.....			\$268,072,900
OPERATING EXPENSES			
Expenditures from Parliamentary appropriation.....	210,458,700		
Expenditures paid out of postal revenues.....	33,268,600		
Total operating expenditures.....		\$243,727,300	
Accommodation provided by Department of Public Works	25,298,000		
Accounting and Cheque Issue Services by Comptroller of the Treasury.....	584,300		
Contributions to superannuation account and employee Surgical-Medical Insurance by Department of Finance....	9,680,600		
Employee Compensation Payments by Department of Labour.....	261,900		
Total 'Free' services from other government departments.....		35,824,800	
TOTAL OPERATING COSTS			\$279,552,100
NET OPERATING DEFICIT.....			\$ 11,479,200



# ACCOUNTING

## CASH ACCOUNT

The Cash Account Division audits the accounts and other financial transactions of 9,137 postmasters and summarizes these accounts to produce an audited total for Canada.

The continued increase in Post Office business is reflected in the number of remittances to depots and in the number of bank deposits. These showed an increase of 4.6% over the previous fiscal year. In addition, the banks' claims for money orders paid through their facilities increased by 3.5% over the same period.

During the fiscal year 1963-64, the Department introduced a method of determining postage on mailings of publications (second class matter) on the basis of an audit of circulation records instead of by the weighing process. This system was extended during 1964-65 and now covers most of the large publications. The new method has been so successful that it is being extended as quickly as audits can be arranged. The use of postage meters continued to increase. The number in use has risen to 39,933, a gain of 3,659. Revenue from this source totalled \$112,970,815, an increase of 10.94%. It is interesting to note that the number of postage meters now in use has climbed from 15,000 ten years ago to the present number.

Post Office lock boxes available for rental increased by 27,290 to 940,002 and the revenue from this source was \$2,227,-149, a new high.

## **DATA PROCESSING**

The Data Processing Division is a service unit, responsible for supplying all automatic and electronic data processing services to the Department. The equipment in the division is of the unit record type which utilizes punched cards. Facilities are available for recording, classifying, calculating and summarizing information and for printing reports and returns. Full scale computer facilities are available through the Central Data Processing Service Bureau. During the previous fiscal year the Univac 120 computer and five tabulators were replaced by two Univac 1004 card processors. As anticipated, operating costs were reduced and it has been possible to produce more work more efficiently.

## **GENERAL FINANCIAL**

The audit of the accounts in the Accounting Branch terminates in the General Financial Division with the compilation of the relative financial statements of postal revenue and expenditures from revenue. This division also collaborates with other divisions for reviewing procedures at Headquarters and in the Field. It serves to protect and safeguard the revenue of the Department and to improve accounting methods.

The settlement of international accounts with foreign postal administrations and transportation of mail accounts is a responsibility of this Division. It is also responsible for the reconciliation of losses arising from shortages, fires, thefts and robberies, and the adjustment of errors found in the audit of postmasters' cash accounts and the processing of inspection reports. It provides the payroll service for employees at Semi-Staff, Revenue and Sub Post Offices.

Conversion to electronic data processing equipment is being carried out and the necessary systems studies will be continued to provide greater mechanization in the maintenance of records and accounts.

## **MONEY ORDER**

The Money Order Division administers the money order service, including the control and supply of blank money order forms to postage stamp depots and postmasters, and the audit of postmasters' money order returns. The international money order service based on conventions between Canada and countries with which money orders are exchanged is part of the functions of this division.

During the year, a new design of notched money order form was introduced. The predominant new feature is a two colour safety tint on the front. The printing includes on the front side only, in two colours, an underlying design of Provincial as well as Territorial crests along the bottom and the Federal crest across the top.

## **POSTAGE STAMP**

The Postage Stamp Division is responsible for the sale of postage values to philatelists, and the procurement and distribution of postage supplies to Field offices. The Division has two main sections: the Philatelic Service and the Postage Supply Section.

The Philatelic Service maintains a mail order system for the sale of philatelic items and provides an information service on Canadian postage stamps to philatelists throughout the world.

The Postage Supply Section determines the need for new postage items and administers contractual arrangements for the provision of postage supplies. It also regulates the stocking and distribution of postage supplies to postage stamp depots across Canada.

There was an increase of over 89% in the number of philatelic orders received as compared to the number received in 1963-64. The net revenue from philatelic sales reached an all time high of \$1,012,592, which represents a 71% increase. This unprecedented volume of business is attributable to the discontinuance of "G" stamps and the subsequent demand for the remaining stock by philatelists, the overprinting of the 7 cent regular issue and the ensuing demand for the regular version of this stamp, the accelerated new stamp programme and the increasing interest in stamp collecting.

The number of philatelists who maintain money on deposit with the Philatelic Service to purchase their requirements of new stamps increased approximately 25% in the 1964-65 fiscal year. There are now over 2,800 depositors. The total funds on deposit at the end of the fiscal year was \$54,535. Postage stamps in rolls are a convenience many businesses have made use of for some time but because of the relatively high cost of production, it has been necessary for the Department to charge a premium on these stamps. A study of the market potential for postage stamps in rolls was instituted. If warranted, a method of manufacture in volume will be sought to permit the sale of these stamps at face value.

The contract for the manufacture of stamped envelopes expired during the summer of 1964 and a new contract was negotiated at reduced prices which will result in a saving of \$15,000 annually for these items of postal stationery.

### **POST OFFICE SAVINGS BANK**

The establishment of the Post Office Savings Bank dates back to the 1st April 1868. This service was intended for the promotion of thrift among people of medium and low incomes. Personal, joint, trust and other types of accounts are available at any one of the 1,500 post offices in Canada at which Savings Bank business is authorized.

A table showing the operations of the Post Office Savings Bank for the past ten years appears in the appendix to this report.





# BUDGETS

## BUDGETARY ACCOUNTS

The Budgetary Accounts Division is responsible for co-ordinating the Department's requirements for funds and the control of expenditures from those funds by means of internal budgetary control systems.

The year 1964-65 was the first year during which the Department operated under a single Parliamentary Vote, allowing a greater degree of flexibility to the Department in the use of its funds. These changes were in line with the recommendations made by the Royal Commission on Government Organization (Glassco Commission) and the overall effect of these changes proved most beneficial in the financial management of the Department.

During the year, a flexible budgetary control system based on responsibility reporting was introduced into the Toronto Post Office on a trial basis. This system incorporates the recommendations of the firm of management consultants who were retained during the previous year to carry out a feasibility study for such a system. The main features of this system are flexible budgetary allowances based on: (a) actual volumes of mail handled as related to engineered time standards for the individual types of mail involved; (b) the comparison of actual expenditures against these budgetary allowances and the determination of variances; (c) the treatment of individual operating areas under separate supervision within a post office as responsibility reporting units.

The results of this trial operation confirmed that a budgetary control system of this type constituted a management control system which met a major need of the Department. Approval was given for the installation of the system in all staff post offices, postal districts and departmental Headquarters as soon as the necessary staff is recruited and trained.

## **PURCHASING AND STORES**

The function of this Division is to procure, store and distribute departmental operating supplies and equipment. Purchasing is centralized in this Division although authority is delegated to major Field units to procure minor supplies which must be obtained locally. The principal items purchased are mail sortation and handling equipment, motor vehicles, uniforms, mail bags, printed forms and stationery. An analysis of commodities purchased together with dollar-values appears in the appendix to this report.

Purchases are received at the Department's central warehouse in Ottawa from where bulk shipments are made to stores depots located at central distribution points across the country. Post Offices of all sizes are supplied directly from these stores depots. During 1964-65, a study was made of the storage and distribution system in the Field, in line with the conclusion of the Glassco Commission that there is a need for a gradual consolidation of materials management throughout the Government. This study was particularly concerned with the economical operation of the stores depots and the elimination of back-tracking of supplies sent from Ottawa to the depots for redistribution. Following this study, the number of existing stores depots was reduced from ten to seven, and areas supplied were adjusted accordingly. A small stores depot in Newfoundland will be opened during 1965-66.



# ENGINEERING

The Engineering Branch is responsible for the direction of the activities as required by the programme of postal mechanization with emphasis on long range planning and development. The Branch provides space for the Department through the design and procurement of buildings and provides mail handling equipment through the design and procurement of a wide range of items.

## BUILDINGS AND ACCOMMODATION

The Buildings and Accommodation Division is responsible for the provision of post office space, the development of space standards, the efficient use of the space provided by assisting with equipment and fitting layouts and by assisting the Department of Public Works in the design of accommodation to meet Post Office needs.

In May 1964, the responsibility as to where Crown buildings were to be erected for Post Office use was transferred from the Department of Public Works to the Post Office Department. As a result, the Department of Public Works "Continuing Works Programme" was discontinued and all Post Office building projects were amalgamated into a programme known as the Post Office Department Building Projects. The actual construction remains the responsibility of the Department of Public Works.

In addition to providing accommodation for Semi-Staff and Staff Post Offices, postal stations and letter carrier depots, the Department of Public Works erected small buildings to house Revenue Post Offices at locations selected by the Post Office Department in regions designated as development areas by the Department of Labour. The provision of these small buildings formed part of the Government Winter Works Programme.

The following table indicates the number of Post Office buildings completed or under construction:

Province	POST OFFICE BUILDING PROJECTS			
	Revenue Post Offices		Semi-Staff and Staff Post Offices	
	Completed 1964-65	Under Construction 31st Mar 1965	Completed 1964-65	Under Construction 31st Mar 1965
Newfoundland.....	35	27	5	3
Prince Edward Island.....	4	7	—	—
Nova Scotia.....	13	39	6	1
New Brunswick.....	18	21	3	1
Quebec.....	21	75	19	10
Ontario.....	8	5	24	15
Manitoba.....	3	2	4	1
Saskatchewan.....	—	—	2	11
Alberta.....	—	—	8	1
British Columbia.....	—	—	4	3
Northwest Territories.....	—	—	—	1
Yukon Territories.....	—	—	—	—
Total.....	102	176	75	47

The Department of Public Works on behalf of this Department negotiated forty-nine new leases and renewed two hundred and thirty-six leases. As of the 31st March 1965, Post Offices were located in 1440 public Federal buildings which included 34 provided by the Department of National Defence. Seven hundred and thirty-six post offices were in leased accommodation.

## EQUIPMENT

The Equipment Division which designs and controls the procurement and issue of standard Post Office equipment provided 15,249 standard items such as sorting cases, bag racks and mail boxes to the service during the year. In addition, 14 tractors and 676 Post Office name signs were supplied. The programme to provide mechanical aids where required continued with the issue of 7 postage meters and 12 hand operated cancelling machines. Also in use by the end of the year were 2002 manually operated and 426 electrically operated stamp vending machines. Through the Equipment Division, the Department of Public Works provided 9,328 pieces of office furniture and 116 safes.

## **MECHANICAL AND ELECTRICAL ENGINEERING**

The function of this Division is to provide mechanical-electrical technical services, primarily in matters of design, installation, procurement, maintenance, and repair of mechanical mail handling equipment. It also serves as liaison between the Post Office and the Department of Public Works, engineering consultants, contractors, manufacturers, suppliers, inspection services and others concerned with mechanical mail handling installations and equipment.

During the year, a major mechanical mail handling equipment contract was awarded for the installation of conveyors, chutes and parcel and bag sorting machines in the Edmonton Post Office. Additions and alterations to chutes and conveyors were also undertaken at Halifax, Quebec, Montreal, Toronto, London, Winnipeg, Regina, Saskatoon, Calgary, Vancouver and Victoria. Over 100 photo-electric counters were installed in the Toronto, Winnipeg and Vancouver Post Offices. Information gathered by the counters will be used in the preparation of Work Measurement Standards. The Division also proceeded with the installation, where justified, of intercom systems, observation gallery telephone systems and industrial music. Such installations were made at Montreal, North Bay, Sudbury, Kitchener and Ottawa.

## **RESEARCH AND DEVELOPMENT**

The basic responsibility of this Division is to carry out research and development of postal equipment and machinery. The work of the Division is classified into three general types: research and development work on which its own staff is actively engaged, monitoring and applying research and development done by other agencies and providing workshop technical information and consulting services to the other Divisions of the other Headquarters branches. In the area of equipment development, steady progress was made on the numerous projects in hand. Tooling for a new street letter box to be manufactured from reinforced plastic was completed and approval was given for the initial production of these boxes.

Tenders were called for a new mail bag lock and contractual negotiations are proceeding. Tenders were also called for initial production of a new type of marker for vehicles used by rural mail couriers.



Specially developed data recording equipment was installed on all components of the semi-automated segregating-facing-and-cancelling equipment in Winnipeg and further work was done on development of these recorders to permit automatic data collection on other types of mechanized equipment. Modifications were made to the semi-automated equipment in Winnipeg to improve its performance and this programme is continuing.

In the area of monitoring and applying development work of others agencies, various possibilities were explored by direct liaison, correspondence and laboratory testing. These covered a wide field, ranging from laboratory tests of postage meter machines to evaluation of possible use of voice control to actuate sorting equipment. Arrangements were completed for operational evaluation under Canadian conditions of a facer/canceller used in the United States. This programme will be carried out during the coming year, along with studies of other related equipment to establish a sound basis for selecting equipment for new terminals.

## **SYSTEMS ENGINEERING**

The Systems Engineering Division is responsible for conducting studies of mail flows and operational systems with a view to improving existing postal facilities and the planning of new postal terminals, particularly where the use of mechanized handling and processing equipment is involved. Difficulties experienced by the Department of Public Works in obtaining necessary planning information and layouts on schedule from consultants for the Toronto postal terminal, necessitated increased assistance from Post Office Department staff. This Division was designated as the planning consultant to the architect in November 1964. By January 1965, using its own resources supplemented by consulting assistants engaged for the purpose, a preliminary plan was prepared and arrangements were made with the Department of Public Works to obtain the necessary financial authority to proceed with the work.

Planning work for the new Ottawa Postal Terminal was revised to accommodate the change in site to the area of the new railway station. A preliminary design of a system suitable to the limitations of this site was prepared; this included the selection of all major mechanical equipment to be installed and allocation of space to the various functions to be performed in the Terminal.



The design provides a firm basis for detailed discussions through the Department of Public Works with the Treasury Board to fix the general size and design of the building so that detailed planning can proceed.

In addition to these projects, work was done on new or improved systems in the Halifax, Quebec, Montreal, Hamilton and Edmonton offices but difficulty in obtaining properly qualified staff has hindered the studies and planning.



# MANAGEMENT AUDIT

The Management Audit Branch comprises three divisions: Management Audit, Investigations and Legal.

## MANAGEMENT AUDIT

The Management Audit Division is responsible for conducting a complete searching examination of the Department's planning, organizing, staffing, directing and controlling activities in order to provide proper levels of management with an independent and systematic appraisal of total management operations and to assure top management that the service is being effectively conducted in accordance with declared policies and stated objectives.

In the performance of his duties, a Management Auditor must ensure that controls are adequate, detect operational and financial irregularities, ascertain the degree of adherence to policies and procedures, search for improved management practices, survey and evaluate, and recommend changes.

The Division was brought to full strength in February 1964 and audits were started on March 1st, 1964. During the fiscal year, Field audits were completed at twelve District Offices, 185 Semi-Staff and Staff Post Offices and 25 Revenue Post Offices. Partial audits, mainly for training and the establishment of procedures, were conducted at Headquarters in the Savings Bank Division, Purchasing and Stores Division, Postage Stamp Division and the Undeliverable Mail Office. Headquarters annual audits will be restricted to these units for the time being.

While the audit programme and the audit procedures are continuing to develop and improve, the auditors have in the first

year of operation been able to point out a number of areas where District Directors and Postmasters could apply corrective action for the betterment of the service.

## **INVESTIGATIONS**

This Division formulates related policies and procedures, undertakes and directs special assignments, advises the Field on investigational matters, arranges investigational training programmes and operates a review and records section at Headquarters. The Division also administers the reward fund. During the year the Division, in cooperation with District Office Investigators, recovered \$113,122.24 of stolen postage supplies and as a result, three persons are being prosecuted. Also, \$288,600.00 in counterfeit stamps were seized and six persons are being prosecuted.

## **LEGAL**

This Division deals professionally with and conducts the activities connected with all legal matters affecting the Canada Post Office. In particular, the Legal Division advises on the sufficiency of evidence and in the conduct of proceedings in criminal and civil cases; it deals with all claims by or against the Crown or in tort arising out of traffic accidents, injury to person, damage to property caused by or to postal employees, material and equipment; advises on the drafting of legislation, rules, orders, regulations and contracts; advises on Savings Bank, money order and other financial transactions, mail contracts, delivery of mail, illegal use of the mails; drafts submissions to the Governor in Council and to the Treasury Board; advises in cases of claims for indemnities resulting from damage, destruction or loss of registered and insured mail; maintains liaison with other Federal Departments in criminal or civil prosecutions and in all matters of inventions and patents affecting the Post Office Department. The Division also administers a fund for Court costs and legal fees, damage claims, professional and special services.

During the year, the Legal Division participated in an advisory capacity in the work of the departmental committee on the revision of the Post Office Act and represented the Department before Boards of Review constituted under Section 7 of the Post Office Act which refers to the use of the mails for unlawful purposes.



## PERSONNEL

The Personnel Branch at Headquarters gives specialized advice and provides direction of personnel matters for over 42,000 employees located in the Field and at Headquarters. This is done in conjunction with 18 Personnel Officers, 15 Staff Development and Training Officers and 18 Supervisors of Staff Services in the district offices and in the larger post offices. The function of the Branch is to develop the necessary policies, standards and procedures to maintain good staff management and development, and to facilitate close liaison with the central agencies and various organizations which are involved in personnel administration. To do this, the Branch maintains the necessary staff records; assists in the efficient administration of procedures related to employment, promotion, salaries and discipline; and provides assistance and advice to line and service managers for the development, training and efficient performance of personnel at all levels. Also, the Branch is the Department's liaison in its relations with the staff associations.

### EMPLOYMENT

This Division develops and recommends policies, regulations, procedures and standards pertaining to recruitment, employment, promotion, seniority, discipline, appeals and separation. The Field and Headquarters staff are assisted in interpreting and applying these and the acts and regulations covering them.

An audit of personnel procedures is being conducted to improve techniques and methods and to introduce new or improved standards of service where necessary.

Personnel bulletins dealing with personnel policies and procedures are being sent to District Directors of Postal Service and Personnel Officers. This will help to keep the Field and Headquarters staff better informed of current developments and views on personnel matters.

## **PAY AND BENEFITS**

The Pay and Benefits Division develops, recommends and otherwise deals with policies, regulations, procedures and standards involving pay rates and increases, hours and shifts of work, overtime, superannuation, medical insurance, leave, group recreation, Workmen's Compensation and cafeterias. During the years the Division helped to establish compensatory time off for Semi-Staff postmasters who work on their regular rest days or on statutory holidays, payment of a supervisory allowance to postmasters who have additional responsibilities as supervisory postmasters, payment of time and a half for overtime work performed by assistants in Semi-Staff post offices and payment of night differential allowance to assistants in Semi-Staff post offices.

## **STAFF DEVELOPMENT**

The Staff Development Division is responsible for providing functional guidance on employee utilization and development to Headquarters and Field staffs. This includes the administration and coordination of a broad range of managerial, administrative, supervisory, technical, clerical and language training. In addition, the employee evaluation programme, a comprehensive departmental system, and the Incentive Award Programme are also administered. The increased decentralization of responsibilities and authorities for personnel management has resulted in an expanded programme of training and development for Field Personnel specialists. Training conferences for Personnel Officers and Staff Development and Training Officers were held at Headquarters. The exchange of Field and Headquarters personnel administrators for periods of up to six months was accelerated and the number of visits to the Field by senior Branch officers was increased.

Last year's pilot study of the development and implementation of the analytical method of training city sorting staff has been extended. Training schools have been established in six major post offices of which four are full-time schools. Rapid progress is being made in the development of similar training schools for forward sorters and two schools will open early in the next fiscal year.



The Department has continued to use the Civil Service Commission's Senior Officers' Course and two senior officers attended during the past fiscal year. As in the past, numerous officers have attended professional seminars and university programmes which dealt with engineering, finance, public relations and personnel. Also, many employees have attended various courses in written communications and language instruction.

The first phase of an improved method of employee evaluation which was restricted to senior levels of management has now entered its second phase and has been extended to the Field and to levels of Postal Officer 1 and equivalent. The inventory of managerial and supervisory strengths and weaknesses is being expanded and a number of departmental exchanges of senior officers has already been made. This activity is expected to increase sharply during the next fiscal year.





## PLANNING AND SPECIAL PROJECTS

The responsibilities of this Branch are to undertake studies of postal activities, to coordinate and control the work related to Parliamentary Returns and the provision of information on the operation and policies of the Department, to coordinate and develop the Departmental legislative programme, to develop and maintain plans for the provision of postal service under emergency conditions, to conduct research and prepare appreciation studies of the overall Departmental strategy and to prepare long-term plans for adjustments, changes and improvements in the postal service.

Special studies undertaken by this Branch may include any aspect of the Department's activities. Projects that relate to the work of two or more branches and require close coordination of effort and data are of particular importance. During the year, special studies on postal rates and the development of rate structures were continued. A review of the existing distribution processes and patterns in the areas of mail flow, sortation, transportation and zoning was started, and the development of a national postal coding system is under study.

The coordination of the work on Parliamentary Returns and other inter-branch activities at one central point has made it possible to review the relative procedures and develop improvements. Various types of information and data are consolidated into the reports and correspondence, which are required in the Department or by other departments and agencies.

The Departmental legislative programme includes the maintenance of the suggested changes in the Post Office Act together with all the supporting information and data, the development of proposals, and the conduct of liaison with the Department of Justice and others when the legislative programme reaches the stage where the amendments are proposed for consideration and approval by Parliament.

The provision of postal services in emergencies includes planning for natural disasters such as floods, work stoppages prompted by labour disputes, and the national emergency that may result from acts of war. Departmental plans are formulated according to the planning principles of the Emergency Measures Organization and prepared in cooperation with the other departments and agencies that share in the emergency planning responsibility.

The development of plans for consideration and implementation by senior management requires the examination of all relevant information and data and the evaluation of trends that influence the present operation and the future provision of postal services. As the recruitment of staff provided by the organization is completed, an increasing amount of emphasis will be devoted to this function.



# POSTAL RATES AND CLASSIFICATION

The Branch is comprised of three Divisions, namely, Cost Ascertainment, Domestic Mails and International Mails. It is responsible for developing and recommending the rates of postage and fees for special services. The Branch formulates and interprets the postal laws and regulations and arranges for the exchange of mails between Canada and other countries.

## COST ASCERTAINMENT

This Division maintains a system designed to credit to each of the classes of mail and services its earned proportion of revenue from all sources, and to charge against each the computed proportion of the expenditures for the administration and operation of the Post Office Department.

During the year, progress was made in the complete reorganization of the cost ascertainment programme under the new concepts of financial management of the Department. The staff of the Division was strengthened and a system of sampling introduced on a year-round basis to produce data of known reliability and accuracy.

In January, the cyclic sampling of mails in selected test offices throughout Canada got underway. By spring 1966, cost ascertainment data will be available for a full fiscal year under the new programme.

At the early stages of the reorganization of the system, the decision was made to integrate cost ascertainment with pre-determined time standards and a production control system. Ultimately these phases of the Department's financial administrative

reporting, along with the new budget system, will operate from common information.

## **DOMESTIC MAILS**

The Domestic Mails Division interprets the postal laws and regulations relating to the classification and conditions of acceptance of domestic mails. It develops the postage rate structure for such mail and also sets the fees for special services such as registration, C.O.D.'s, special delivery and parcel insurance.

During the year, a study of all pertinent regulations for the purpose of simplification and eventual consolidation was inaugurated. One improvement in this regard was the simplification of the regulations governing permissible enclosures in newspapers and magazines. This proved to be of considerable benefit to the publishers of such material.

Another important function of Domestic Mails Division is the administration of laws and regulations prohibiting the use of the mails for illegal purposes. Considerable activity in this area took place last year and important precedents were established which will affect future departmental policy.

## **INTERNATIONAL MAILS**

International Mails Division is responsible for the organization and the activities relating to the exchange of mail with foreign countries. It deals with questions pertaining to Canada's membership in the Universal Postal Union and the Postal Union of the Americas and Spain and the bilateral Conventions and Agreements concluded with other Postal Administrations to provide and facilitate the exchange of international mails including parcel post.

The XVth Congress of the Universal Postal Union was held in Vienna, Austria, from the 29th May to 10th July, 1964. The Canadian representation at this Congress was composed of four plenipotentiary delegates from the Post Office Department headed by the Deputy Postmaster General and an advisor from the Department of External Affairs. The Acts of the Congress of Vienna which will become effective on 1st January 1966, include many substantial changes involving the structure and the scope of activities of the Universal Postal Union and introduce legislation better adapted to today's conditions in the area of international postal communications. Canada was re-elected to the Executive

Council (formerly the Executive and Liaison Committee) and appointed Chairman of the newly created Finance Committee.

Large scale improvements were introduced during the year in the handling and routing of international air and surface mail in order to expedite transmission and keep transportation costs to a minimum. The extension and increase in frequency of Canadian air services coupled with the negotiations of further arrangements with foreign carriers for pooling services for the conveyance of air mail has permitted greater diversion of traffic to the Canadian airlines. Advantage was taken of the introduction of services by other carriers to extend air mail facilities to a larger number of destinations. Also, air parcel post service was established with 13 additional countries, insurance service for parcel post was extended to seven countries and special delivery service to four countries. At the same time, efforts were made to simplify documentation and procedures relating to accounting and statistical operations with a view to greater efficiency and economy.



## POSTAL SERVICE

Functions of this Branch include all phases of operations which are directly related to the provision of service to the patrons. These include the administration and control of delivery requirements, methods and standards, organization and establishment and postal facilities.

### DELIVERY REQUIREMENTS

The function of this Division is to develop and interpret regulations and criteria governing the delivery of mail at and from post offices, with or without letter carrier delivery service.

During the year, letter carrier delivery service was inaugurated at Aylmer East, Loretteville and Pointe Gatineau in the province of Quebec, and Ajax, Goderich and Ingersoll in the province of Ontario.

For these new services, 38 letter carrier walks were required to serve the 18,343 points of call.

In addition, 228 new full-time and 94 partial letter carrier routes serving 124,934 calls were added during the year in localities already receiving letter carrier service.

At the end of the fiscal year, 3,374,056 different calls were receiving door-to-door delivery by letter carriers and 15,801 families were receiving their mail in group mail boxes served by letter carriers as an interim measure pending the meeting of requirements for direct delivery. This service was provided through 6,856 full-time and 130 partial letter carrier routes at 194 letter carrier delivery post offices. Mailmobiles operated by letter carriers were used on 139 of these routes located at 17 centres across the country.



Rural Route and suburban services now number 5,640 and 654,874 patrons receive their mail in this manner. During the year, 52 new services were established and extensions were made to 1,049 existing routes. In the same period, 51 routes were discontinued.

## **ORGANIZATION AND ESTABLISHMENT**

This Division is responsible for the compilation each year of the Department's Estimates as to manpower requirements for the ensuing year in regard to Headquarters and Field installations and for the presentation of such estimates with full supporting information and data to the Establishment Review Committee.

Senior officials of this Division act as the Department's liaison officers with other Government departments and agencies such as Treasury Board and the Civil Service Commission.

It is the responsibility of the Division to develop and keep under review the organization structure of Headquarters and Field units and to review and report on proposed changes in such structures.

The Division undertakes surveys to ensure that standards are met before positions are added to establishments of Headquarters units or Field offices. In collaboration with members of management, the Division defines and clarifies the functions, responsibilities, qualifications, authority and relationship of each new or altered position in the Department's establishment. It also reviews, edits and approves job and position descriptions prepared by management.

Another important function of this Division is to ensure that positions are classified in accordance with the Civil Service Commission's classification specifications and to cooperate with the Civil Service Commission in the development of specifications for Departmental classes and in the carrying out of studies in regard to salary relativity.

An establishment record for each Headquarters unit and Field postal installation is maintained in this Division. During the year, a total of nine new positions were added to Headquarters establishment and sixteen positions were reclassified to a higher level in recognition of increased duties and responsibilities.

Organizational changes put into effect in the Operating Service resulted in the realignment of District Office grades and the establishment of an additional grade of Staff Post Office at the Grade 19 level. The changes stemmed from the introduction of a new grading system for District Offices and Staff post offices.

Sixteen Semi-Staff post offices were elevated to Staff Post Office Grade 9 status and twenty-six Staff Post Offices were raised to a higher level in the Staff Post Office range.

The total establishment of Staff Post Offices and District Offices was increased by 1,114 positions in the fiscal year. These positions were required to introduce letter carrier delivery service at six centres, extend letter carrier service to new areas and to strengthen postal staffs to cope with increased work loads. Twenty-one positions in the Operating Service were reclassified to supervisory level or to a higher supervisory level because of increased need for supervision in certain units and to recognize increased responsibilities.

In the interest of economy and without adversely affecting the service, four Postal Stores Depots and one Postage Stamp Depot were closed.

### **POST OFFICE FACILITIES**

The function of this Division is to develop and interpret regulations and criteria respecting postal installations and staffing standards.

In keeping with the requirements of the public, a total of 296 post offices were established during the fiscal year; 41 Revenue post offices in rural communities, 158 Sub post offices in cities and 7 Summer post offices. In addition, 21 post offices were reclassified to Semi-Staff.

During the year, authority for reclassification of Revenue and Semi-Staff post offices, with the exception of Military Post Offices and post offices to serve company towns and institutions, was decentralized to District Directors. Instructions were provided to District Directors outlining the procedure to be followed in the administration and conduct of a cyclical review programme designed to ensure that Revenue and Semi-Staff post offices are correctly grouped.

Presentations covering classification of Postal Station managers, grading pattern for Staff post offices, unit of work system and staffing of Semi-Staff post offices were prepared for consideration by the Conference of District Directors.

The publication entitled "List of Post Offices in Canada", last issued in 1959, was updated and reissued. Criteria was provided to the service outlining the policy and procedures to be followed in assessing the need and providing for staffing assistance in Revenue post offices, the policy governing compensa-

tion for Semi-Staff and Staff post office personnel who are required to work less than a full eight hour day on Sundays, the procedure for grading Staff post offices, and, outlining in circular form the new policy with respect to hours of work in Revenue post offices.

## **QUALITY CONTROL**

The Quality Control Division is responsible for service evaluation, enquiries, indemnity claims and undeliverable mails. During the year research was done in the service evaluation sphere and a proposal for a comprehensive Quality Control Programme was issued to senior Field officers for comments and suggestions. Also, a continuing review and audit was maintained to determine from the day-to-day processing of cases and from various statistical reports, where any abnormal trends were developing and remedial action required.

The Enquiries Section deals with irregularities involving both Domestic and International Mail and develops policies and procedures as regards the handling of enquiry work in the Field. Although mail volumes continue to increase, the number of enquiries concerning both Domestic and International mails showed a decrease. The total number of cases handled was 314,108 as compared with 338,278 during the last fiscal year and 325,013 in 1962-63. The Indemnities Section is responsible for the policies and procedures respecting adjustment of claims for Registered, Insured and C.O.D. mail and maintains related statistics. The number and value of indemnities paid for loss and damage of registered, insured and C.O.D. mail increased slightly over the previous year.

The Undeliverable Mail Office develops policies and issues instructions relative to the safeguarding, accounting and disposal of undeliverable mail. The number of pieces of mail handled by the Undeliverable Mail Office totalled 18,020,437 as compared with 16,204,535 the previous year and 15,591,374 in 1962-63.

## **SERVICE REQUIREMENTS**

The function of this Division is to establish reasonable standards of service for operating units in the Field which, when met, will provide a good and reliable service to the public. The Division develops policy, regulations and criteria on such matters as hours and extent of service, provision of stamp vending and

mailing facilities, frequency of mail transportation services, acceptance and processing of domestic and foreign mails, the supervisory postmaster system, apparel for uniformed employees and suitable types of mail bags. The Division is comprised of the Operations Section and the Services Section.

Amongst the projects under study by the Operations Section is a review of the Supervisory Postmaster System and a joint study of foreign mail handling procedures with Customs officials.

New terms of reference were established to provide guidance to Field officials in the application of the Supervisory Postmaster System.

In addition, new procedures were established for the handling of money packets in the domestic service, the return to sender of undeliverable parcel post items, the control and safeguarding of official keys, the recording of C.O.D. particulars at smaller offices and the processing of undeliverable third class mail. Standards of service for letter carrier delivery were also established for the guidance of Field officials.

A new bilingual cap badge for uniformed employees was adopted and a new style of uniform for letter carriers has been approved for adoption effective 1st April 1966.

Through studies by the Services Section during the year, the extent of postal services provided on Statutory holidays was changed to conform with the current day needs of communities. Extensive surveys had revealed that available postal facilities were not being patronized on certain statutory holidays, but that the limited service provided on other holidays was inadequate. New criteria were introduced and in certain cases this resulted in reduced service requirements. However, for holidays such as Easter Monday, the service was considerably improved in order to accommodate the mailing public.

Provision was made to ensure that an equitable standard of postal service is provided at the various type of exhibitions, fairs, conventions and similar events across the country. Services available are dependent on the size, nature and duration of the event. The services range from wicket service and letter carrier delivery at major exhibitions in large cities to the sale of commemorative stamps at philatelic conventions.

Due to numerous representations received from the mailing public that supplies of postage stamp booklets in vending machines were frequently depleted during week-ends, holidays, etc., control



and servicing instructions were issued to overcome the problem and this has reduced complaints.

## **METHODS AND STANDARDS**

The function of this Division is to study mail processing activities with a view to effecting improved efficiency, to develop and operate a Production Control Programme and to provide technical guidance to the Field on the implementation of various aspects of this programme.

The extension of the Production Control Programme to the smaller Staff post offices proceeded at an accelerated rate during the fiscal year when an additional 47 staff post offices were brought under full measurement. At the end of the fiscal year, a total of 106 Staff Offices were in various stages of measurement and in most of these offices, performance levels were maintained or increased.

This Division, which is also responsible for the training of newly appointed Methods and Standards Officers, trained 35 new officers during the year. In the category of special projects, the Methods and Standards Division furnished technical guidance to the Field in carrying out major staff surveys at Quebec, Montreal, Ottawa and Regina Post Offices.

A procedure for auditing work standards submitted by the Field was developed. The main objectives of these audits are to ensure the accuracy of standards, to ensure uniformity in the application of timestudy techniques and the presentation of the completed material, to assess the work of Methods and Standards Officers from a technical standpoint, to determine additional training and development needs for present and future Methods and Standards Officers, and to assess the effectiveness of work methods in use throughout the Service.

The development of standard data bulletins was accelerated during the year in order to assist the Field in developing uniform work standards and also to accelerate the Production Control Programme throughout the postal service.



## PUBLIC RELATIONS

The prime purpose of Public Relations in the postal service is to create and maintain the spirit of cooperation between the Department and the postal patrons in order that mail will be handled expeditiously and that patrons will receive efficient service. This purpose is achieved through publicity campaigns designed to gain patron support and information releases concerning postal rates and changes.

Each year two major publicity campaigns are conducted. Through the use of mass media such as radio, television and motion pictures, periodicals and newspapers, posters and by personal contact, the public was made aware of the need for Better Mailing Practices. During the pre-Christmas and the Christmas Season, an extensive publicity campaign was conducted to ensure the success of the Mail Early drive, which is so essential in handling the Christmas mail volume. An added feature to the Christmas campaign of 1964 was the need to publicize the new 3-cent postal rate for Christmas cards.

The Division compiles and edits the Post Office Weekly Bulletin and the Post Office house publication, "The Postmark". News releases, information leaflets and booklets are also prepared and released for public consumption.

An important function of the Division is the development and control of the Department's philatelic policy. During the year, 12 stamps were issued commemorating Peace on Earth, Canadian Unity, Charlottetown Conference, Quebec Conference, International Cooperation Year, Province of Nova Scotia, Province of New Brunswick, Province of Quebec, Province of Ontario, the Queen's Visit and two stamps for Christmas.





# SYSTEMS AND PROCEDURES

The purpose of the Systems and Procedures Branch is to assist other Branches in establishing and maintaining effective systems and procedures for electronic and automatic data processing, accounting and clerical work. This includes the design of forms, maintenance of a clerical work study programme and control over the procurement and use of office machinery and equipment. It is also responsible for administration of the Department's office services and the issue of manuals, directives, householder directories and other listings.

Although recruiting and training is not yet completed, the Branch has made progress in the establishment of its various programmes.

## SYSTEMS ANALYSIS SERVICE

This Division is responsible for carrying out systems and procedure studies of accounting and general clerical work, electronic and automatic data processing and the supply of office machinery and equipment that will assist in the implementation of new systems. It is also responsible for the clerical work study programme.

Among the achievements by the Systems Analysis Service during the year, were the completion of feasibility studies, as well as implementation and programming of electronic data processing applications for cost ascertainment computations and calculations, annual inventory evaluation for stores depots and determining ledger recording. Studies for the application of computers to the preparation and maintenance of Householder Directories and Lists

of Post Offices in Canada were also completed and the new systems will be implemented during the 1965-66 fiscal year. Studies also neared completion for the application of computer processing, data collection and data transmission to the cost and production control programmes in the large post offices. Conversion of money order sorting to computer processing was under study. Examination of the C.O.D. system was continued during the year including the application of computer processing to the accounting phase.

The Clerical Work Study Section was established during the year and the initial complement of staff recruited. The programme will provide, in addition to tangible savings, equitable standards for performance of various tasks, criteria for the setting of staff complements, a management reporting system to enable planned scheduling of work between various related sections as well as assessing performance, improved methods and procedures, and a means to evaluate the output of various office machines and the specifications of equipment for particular tasks.

## **OFFICE SERVICES**

This Division is responsible for the provision of filing, mail, messenger, library, photocopy, stenographic and typing services at Headquarters and assists district offices in the establishment of these services in the Field. The Division continued to improve procedures related to the provision of its services. This includes the establishment of a standard filing and records management system in District Offices and Staff post offices.

In addition, a standard file and record retention and disposal schedule which applies to all offices throughout the Department was compiled and approved by the various central government agencies concerned.

## **REPORTS AND FORMS MANAGEMENT**

This Division is responsible for a forms management system and for coordinating the production and issue of manuals, directives, listings, reports and directories. The forms management programme has now been established and a new manuals system has been planned.



# TRANSPORTATION

The Transportation Branch is responsible for the development and maintenance of a co-ordinated network of transportation facilities for the conveyance of mail by the most effective means to and from any point in Canada where postal service is required. This involves the negotiation or awarding of contracts with railways, airlines, steamship, truck and bus companies as well as individuals.

In order to administer these services, the Branch is divided into six divisions, each of which is responsible for its particular type of services or functions.

## AIR SERVICES

This Division is responsible for the development of policy, regulations and procedures governing the transportation of mail by air in national and regional services. This includes the administration and inspection of contract services as well as ensuring that mail conveyed by air is routed by the most expeditious means consistent with cost. In addition, this Division reviews and evaluates proposals for extending air service to new areas.

Following the pattern set in previous years, there was a marked increase in the volume of mail carried on domestic and trans-border air services. All Air Canada flights suitable for the conveyance of "all-up" air mail and air parcel post were utilized. For eleven months during the past fiscal year the volume of mail carried exceeded 1,000,000 ton miles. Among the achievements in the Air Services Division during the year was the obtaining of a broader interpretation of Air Transport Board regulations permitting air conveyance of mail, as incidental traffic, to certain

isolated communities where otherwise the cost of service would be prohibitive. Another significant development was the advancement of air despatches from Montreal and Ottawa to the London area and the Niagara Peninsula by establishing direct highway service connections at Malton Airport, thus enabling earlier delivery at destination.

## **CITY SERVICES**

The City Services Division is responsible for recommending policy and the development of quality and cost control procedures for the various types of mail transportation facilities provided in cities and towns having door-to-door delivery by letter carrier. This Division is also responsible for the administration of government operated services and for the purchase, maintenance and repair of government-owned vehicles used for postal purposes.

During the year, combined contract services for parcel post, special delivery and street letter box clearance were placed in operation in seven cities in conjunction with the establishment of letter carrier delivery. In addition, fourteen other communities were converted to the combined operation under one contract on a per item basis of payment. In most instances, this type of contract service has resulted in a more efficient operation at a substantially reduced cost.

The trend to industrial relocation in city fringe areas continued, necessitating the establishment of mobile delivery services in seven rapidly growing communities.

Security transfer services were established at Quebec, Montreal and Toronto in order to provide maximum protection to mail despatches in those areas.

## **CONTRACT ASSESSMENTS AND TENDERS**

The Contract Assessments and Tenders Division has two basic functions. It is responsible for developing and applying standards to be used in assessing contractors' requests for increases and to determine whether or not the rates of expiring contracts or tenders for new contracts are high in relation to the service being, or to be performed. This Division must also administer the tender system and award mail service contracts in accordance with the terms of the Post Office Act.

One of the more significant achievements of this Division during the fiscal year was the development of new procedures for the submission and processing of tenders for contract services.



Basically, the new procedures now provide a positive deadline for the acceptance of tenders.

A new formula designed to provide a more accurate assessment of contracts and tenders was implemented late in the year with satisfactory results. During the year, as a result of contractors' applications for rate adjustments, it was possible under the Post Office Act to make adjustments for 1,033 contracts involving increases totalling \$667,370.67.

Following invitation for public tenders on transportation for rural routes, side, stage, highway and city services, 514 contracts were awarded at a total cost of \$2,361,240.65.

## **HIGHWAY AND RURAL SERVICES**

The Highway and Rural Services Division is responsible for the development, control and completion of contract arrangements for the following types of mail services: highway and rural stage services, rural routes and suburban services and side (railway station) services.

Continued withdrawal of rail facilities necessitated, again this year, the establishment of many new highway services and a substantial reduction in the number of side (railway station) services. The ever-increasing need on the part of the public for speedier and more effective means of surface mail transportation also required the development of additional services and the expansion of existing ones. During the year, some fifty new highway services were inaugurated at a per annum cost of approximately \$475,000. In addition to the major reorganization of postal service in South-western Ontario in 1964, other developments of particular significance included the inauguration of a system of highway services emanating north from North Bay to replace a major mail carrying train withdrawn from this area. International highway services for the exchange of bulk and preferential mails between Canada and the United States were established with connections at Portland (Maine), Minot (North Dakota), and Shelby (Montana).

## **RAIL AND WATER SERVICES**

The Rail and Water Services Division is responsible for developing, revising and recommending policies and procedures governing the transportation of mail by rail and water in national services and for the negotiation with railway and steamship lines for the conveyance of mail within Canada and between Canada and the United States. It is also responsible for the maintenance

of inspection and control programmes to ensure that mails are conveyed and handled by the most expeditious and economical means. In addition, the Division is responsible for the development and maintenance of distribution books, schemes and schedules for the routing of domestic and international mails by surface transportation.

A major development which concerned this Division during the past year resulted from the decision of the Canadian Pacific Railway Company to withdraw head end traffic from the "Dominion", trains 3, 4, 7 and 8, which operate between Montreal, Toronto and Vancouver. The removal of railway postal cars from these trains will result in the displacement of approximately seventy railway mail clerks.

Other means of transportation and routing of large volumes of bulk mails between the major terminals served by these trains are presently being devised. Railway post office service will be provided over Canadian National Railway lines between Montreal, Toronto and Winnipeg, supported by a system of connecting rail and highway movements through to Vancouver.

## **TRANSPORTATION RESEARCH**

The Transportation Research Division conducts surveys and studies to develop improved methods of handling and transporting mails over the national systems by air, rail, water and highway. The Division is also responsible for co-ordinating with district components in recommending and implementing major changes in transportation services.

During the year, this Division conducted transportation service studies in Northern and Southern Ontario, Western Canada, the Maritimes and in the Yukon and Northwest Territories. Among the more significant achievements are the development of a more efficient routing of exchanges of bulk and preferential mails between the United States and Canada resulting in an estimated saving of approximately \$100,000 per annum.

The decision of the Canadian Pacific Railway to withdraw mail carrying facilities on its trans-Canada routes necessitated a major study of the transcontinental movement of bulk and surface first class mails. It was necessary to develop a system of rail and highway services which will replace the rail facilities being discontinued.





## POSTAGE STAMPS ISSUED IN 1964-65



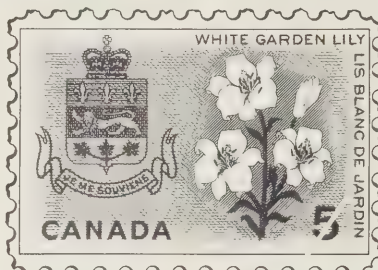
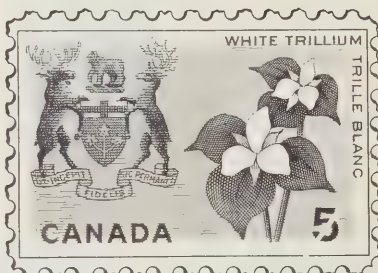
### 5c. PEACE STAMP

DATE OF ISSUE—8th April 1964  
DESIGNED BY—The Canadian Bank Note Co., Ltd.  
COLOUR—Blue & Gold  
PLATE NOS.—1  
PANES OF—100 Stamps  
QUANTITY—27,000,000



### 5c. MAPLE LEAF—UNITY

DATE OF ISSUE—14th May 1964  
DESIGNED BY—Canadian Bank Note Co. Ltd.  
COLOUR—Red and Blue  
PLATE NOS.—1  
PANES OF—50 Stamps  
QUANTITY—35,000,000



### FLORAL EMBLEM SERIES

DATE OF ISSUE—30th June, 1964  
DESIGNED BY—The Canadian Bank  
Note Co., Ltd.

COLOURS—  
Ontario                      Quebec  
Green, Brown              Green, Brown  
and Orange                  and Yellow  
PLATE NOS.—1 each Stamp  
PANES OF—50 Stamps  
QUANTITY—18,000,000 of each

### CHARLOTTETOWN CONFERENCE

DATE OF ISSUE—29th July, 1964  
DESIGNED BY—Phillip Weiss & The  
Canadian Bank Note Co. Ltd.  
COLOUR—Black  
PLATE NOS.—1  
PANES OF—50 Stamps  
QUANTITY—27,000,000



### 5c. QUEBEC CONFERENCE

DATE OF ISSUE—9th September, 1964  
DESIGNED BY—Philip Weiss of Ottawa  
COLOUR—Red & Brown  
PLATE NOS.—1  
PANES OF—50 stamps  
QUANTITY—27,000,000



### 5c. ROYAL VISIT 1964

DATE OF ISSUE—5th October, 1964

DESIGN—Photo by Anthony Buckley

COLOUR—Purple

PLATE NOS.—1

PANES OF—50 Stamps

QUANTITY—35,000,000



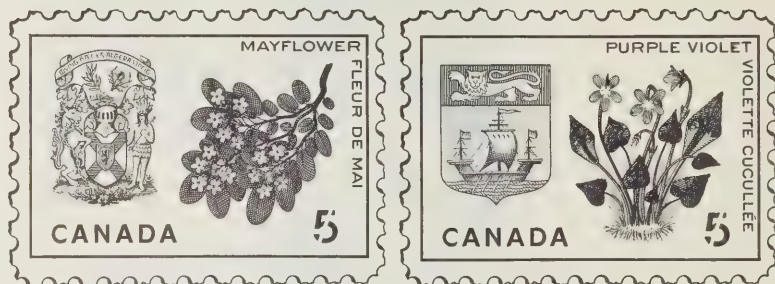
### CHRISTMAS 1964

DATE OF ISSUE—14th October, 1964

DESIGNED BY—The Canadian Bank Note  
Co. Ltd.

COLOUR  
PLATE NOS.—  
PANES OF—  
QUANTITY—

3c.	5c.
Red	Blue
1 & 2	1 & 2
100	100
300	100
Million	Million



### FLORAL EMBLEM SERIES

DATE OF ISSUE—3rd February, 1965

DESIGNED BY—The Canadian Bank  
Note Co. Ltd.

COLOUR AND PLATE NOS.—

Nova Scotia

New Brunswick

Plate 1—Blue

Plate 1—Red

Offset—Pink

Offset—Purple

Offset—Green

Offset—Green

NO. OF STAMPS PER PANE—50

QUANTITY ORDERED—18,000,000 of each



### 5c. INTERNATIONAL CO-OPERATION YEAR

DATE OF ISSUE—3rd March, 1965

DESIGN—The Canadian Bank Note  
Co. Ltd.

COLOUR—Green

PLATE NOS.—1

PANES OF—50 Stamps

QUANTITY—27,000,000



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## STATEMENT OF REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease*
	1963-64	1964-65	
	\$	\$	\$
<b>Postage Receipts:</b>			
From the sale of Postage Stamps.....	49,412,195.12	103,893,949.79	9,481,754.
From the sale of Meter and Register Impressions.....	101,826,989.18	112,970,815.85	11,143,826.
<b>In Cash:</b>			
—First Class Matter.....	447,871.68	577,386.44	129,514.
—Second Class Matter (Newspapers and Periodicals).....	8,183,036.55	8,433,458.18	250,421.
—Third Class Matter (Books, Catalogues, Circulars and other printed matter).....	11,106,486.20	13,521,441.34	2,414,955.
—Fourth Class Matter (Mailings under special permit at parcel post rates).....	199,715.08	176,942.99	22,772.
—Government Departments and Agencies.....	3,069,732.85	7,005,059.83	3,935,326.
<b>TOTAL POSTAGE RECEIPTS.....</b>	<b>219,246,026.66</b>	<b>246,579,054.42</b>	<b>27,333,027.</b>
Rental of Post Office Boxes.....	2,119,155.88	2,227,283.75	108,127.
Fees on Postal Money Orders.....	8,404,908.95	9,029,777.86	624,868.
Commission collected from foreign countries on foreign money orders payable in Canada.....	7,011.39	9,865.53	2,854.
Profit in Exchange on postal transactions with other countries.....	224,834.88	154,154.98	70,679.
Credits on parcels received from foreign countries for delivery in Canada.....	2,650,353.24	2,380,786.67	269,566.
Credits for the transit of foreign Air Mail in Canada and other transit charges.....	1,760,420.25	1,924,749.97	164,329.
Sale of Rural Mail Boxes.....	72,129.96	188.00	71,941.
<b>Miscellaneous Revenue:</b>			
—From the Unemployment Insurance Commission for distributing and selling Unemployment Insurance Stamps and meter impressions.....	1,184,000.00	1,240,000.00	56,000.
—From the Department of Labour for collecting Government Annuity Premiums.....	65,406.99	67,008.16	1,601.
—Sundry Revenue Items.....	73,691.89	91,473.29	17,781.
<b>TOTAL REVENUE RECEIPTS.....</b>	<b>235,807,940.09</b>	<b>263,704,342.63</b>	<b>27,896,402.</b>
<b>Other Receipts:</b>			
Return on Investments.....	805.08	2,770.04	1,964.
Proceeds from Sales.....	23,517.03	17,214.34	6,302.
Refund of previous year's Expenditure and from Appropriation.....	6,723.52	6,953.24	229.
Miscellaneous.....	26,066.94	26,042.13	24.
<b>TOTAL OTHER RECEIPTS.....</b>	<b>57,112.57</b>	<b>52,979.75</b>	<b>4,132.</b>



# STATEMENT OF DISBURSEMENTS FROM REVENUE RECEIPTS

	Fiscal Year		Increase or Decrease*
	1963-64	1964-65	
	\$	\$	\$
aries and Allowances paid to:			
Revenue Post Offices.....	11,367,573.08	10,721,876.81	645,696.27*
Semi-Staff Post Offices.....	14,448,032.87	13,893,103.68	554,929.19*
Sub Post Offices.....	4,120,381.14	4,213,174.01	92,792.87
Discount allowed to vendors of Postage Supplies.....	21,233.85	19,123.04	2,110.81*
Compensation paid to messengers for special delivery of letters and parcels.....	1,004,505.61	892,022.61	112,483.00*
Losses by fire, theft, forgery, etc.....	109,577.90	131,585.90	122,008.00
Commission paid to foreign countries on Canadian money orders payable in those countries.....	34,714.93	36,246.49	1,531.56
Charges on parcels mailed in Canada for delivery in foreign countries.....	1,913,382.81	1,782,838.71	130,544.10*
Charges for the transit of Canadian mail through foreign countries, and on Canadian air mail carried to or through foreign countries.....	1,825,648.10	1,294,395.40	531,252.70*
Indemnities paid in respect of lost, insured and C.O.D. parcels and registered articles.....	245,748.33	284,261.91	38,513.58
TOTAL DISBURSEMENTS FROM REVENUE RECEIPTS.....	35,090,798.62	33,268,628.56	1,822,170.06*

\* Footnote: Of this amount, \$72,113 represents postage supplies stolen, which in most cases never would be used, \$1,683 worth of postage supplies destroyed by fire and \$361 worth of postage supplies lost through other sources. The balance of \$57,429 represents actual loss of funds.

## ERRATA

Page 42 — Statement of Revenue Receipts

Postage Receipts from the Sale of Postage Stamps for 1963-64  
should read \$94,412,195.12

Page 43 — Footnote (1) applies to losses by Fire, Theft, Forgery, etc., 1964-65.

# STATEMENT OF DISBURSEMENTS FROM PARLIAMENTARY APPROPRIATION DURING 1964-65

Classification of Expenditures		Administration	Operations	Transportation	Financial Services	Total
		\$	\$	\$	\$	\$
Postmaster General—Salary and Motor Car Allowance		17,000.00*				17,000.00
Miscellaneous Gratuities		900.00*				900.00
Exchequer Court Awards		1,113.00*				1,113.00
Refunds of amounts credited to Revenue in Previous Years F.A. Act						
Chapter 116, R.S. as amended						
Continuing Establishments		260.00*				260.00
Casuals and Others		1,891,936.39				1,891,936.39
Night Differential		3,110.84				3,110.84
Overtime						
Isolated Posts and other Allowances						
Mileage Allowance						
Boot Allowance						
Corps of Commissioners		21,519.46				21,519.46
Other Professional and Special Services		69,598.65				69,598.65
Security Transfer of Cash Deposits and use of Night Depository Services						
Travelling and Removal Expenses		155,470.40				155,470.40
Freight, Express and Cartage		1,087.65				1,087.65
Telephones and Telegrams		18,966.85				18,966.85
Publication of Departmental Reports and other material		42,880.89				42,880.89
Exhibits, Advertising, Films, Broadcasting and Displays		266,984.10				266,984.10
Office Stationery, Supplies and Equipment		78,293.58				78,293.58
Rental of Accounting Machines						
Mail Bags and Letter Carrier Satchels						
Uniforms						
Materials and Supplies						
Money Order Forms						
Manufacture of Postage Stamps and Stamped Postage Supplies						
Postage Meter and Postage Register Supplies						
Rental of Storage Space						
Acquisition of Equipment						
Repairs and Upkeep of Equipment						
Rental of Equipment						
School Fees and Public Utility Services						
Canada's share of the Upkeep of the International Bureaux at Berne and						
Montevideo						
Unemployment Insurance Contribution						
Sundries						
Mail Service by Railway						
Mail Service by Ordinary Land Conveyance, including Rural Mail						
Delivery						
Mail Service by Air						
Mail Service by Water						
		\$ 2,618,298.25	\$ 135,374,788.33	\$ 69,055,662.78	\$ 3,409,953.12	\$ 210,458,702.48

## Fiscal Years 1955-56 to 1964-65

In Millions of Dollars

Fiscal Year	Receipts	Disbursements			Recorded Surplus or Deficit*	Value of Free Mail for Other Depts. <sup>1,3</sup>	Value of Uncharged Services From Other Depts. <sup>2</sup>	True Deficit
		From Receipts	From Parliamentary Appropriations	Total				
1955-56.....	158.6	20.9	127.4	148.3	10.3			
1956-57.....	167.9	22.1	140.0	162.1	5.8			
1957-58.....	177.5	24.6	153.3	177.9	.4*			
1958-59.....	183.4	25.8	157.8	183.6	.2*	3.0	27.8	25.0
1959-60.....	193.7	26.0	165.8	191.8	1.9	3.2	28.5	23.4
1960-61.....	202.0	28.4	178.4	206.8	4.8*	3.6	30.0	31.2
1961-62.....	213.6	29.8	185.0	214.8	1.2*	3.9	31.7	29.0
1962-63.....	222.4	29.5	189.3	218.8	3.6	4.3	32.6	24.7
1963-64.....	235.9	35.1	206.9	242.0	6.1*	4.4	35.2	36.9
1964-65.....	263.8	33.3	210.5	243.8	20.0	4.9	35.8	10.9

<sup>1</sup> Revenue that might properly accrue to the Post Office Department through the Franking Privilege covering Parliamentary and Government mail or other special services provided by the Post Office Department for other Government Departments and Agencies free of charge.

<sup>2</sup> Estimated value of uncharged services provided the Post Office Department by other Departments: Accommodation (Department of Public Works); Accounting and cheque issue services (Comptroller of the Treasury); Contributions to superannuation account and employee surgical-medical insurance premiums (Department of Finance); Employee compensation payments (Department of Labour).

<sup>3</sup> Amounts for 1960-61 to 1963-64 revised from forecasts to actual amounts.

# GENERAL OPERATIONS OF THE MONEY ORDER SYSTEM IN CANADA FOR THE PAST FIVE YEARS

YEAR	Number of Issuing Offices	Number of Money Orders Issued			Value of Money Orders Issued						Average Value per Order	Gross Revenue from Fees	Average Fee per Order		
		Payable in Canada	Payable in other Countries	Total	Payable in Canada		Payable in other Countries		Total						
					\$	cts.	\$	cts.	\$	cts.					
1961															
	N.....	8,668	17,452,229	2,614,679	20,066,908	623,645,357.64	28,698,563.48	652,343,921.12	32.51	3,646,458.58	18.2				
	D.....	11,098	35,872,513		35,872,513	234,633,055.32		234,633,055.32	6.54	4,044,803.80	11.3				
	TOTAL.....		53,324,742	2,614,679	55,939,421	858,278,412.96	28,698,563.48	886,976,976.44	15.86	7,691,262.38	13.7				
1962															
	N.....	8,825	17,815,069	2,446,837	20,261,906	630,705,865.99	26,329,506.79	657,035,372.78	32.43	3,675,230.53	18.1				
	D.....	10,708	35,990,359		35,990,359	236,476,919.12		236,476,919.12	6.57	4,067,669.34	11.3				
	TOTAL.....		53,805,428	2,446,837	56,252,265	867,182,785.11	26,329,506.79	893,512,291.90	15.88	7,742,899.87	13.8				
1963															
	N.....	8,895	17,836,114	2,181,962	20,018,076	640,375,233.00	23,503,811.17	663,879,044.17	33.16	3,700,207.61	18.5				
	D.....	10,679	35,430,000		35,430,000	234,285,532.83		234,285,532.83	6.61	4,011,008.88	11.3				
	TOTAL.....		53,266,114	2,181,962	55,448,076	874,660,765.83	23,503,811.17	898,164,577.00	16.20	7,711,216.49	13.9				
1964															
	N.....	9,013	18,354,642	2,194,139	20,548,781	666,697,442.72	23,584,313.58	690,281,756.30	33.59	3,947,840.68	19.2				
	D.....	10,690	35,995,486		35,995,486	237,468,982.33		237,468,982.33	6.60	4,457,068.27	12.4				
	TOTAL.....		54,350,128	2,194,139	56,544,267	904,166,425.05	23,584,313.58	927,750,738.63	16.41	8,404,908.95	14.9				
1965															
	N.....	9,137	18,893,327	2,275,912	21,169,239	688,055,747.45	24,550,136.43	712,605,883.88	33.66	4,242,076.53	20.0				
	D.....	10,668	34,433,842		34,433,842	231,078,830.92		231,078,830.92	6.71	4,781,265.44	13.9				
	TOTAL.....		53,327,169	2,275,912	55,603,081	919,134,578.37	24,550,136.43	943,684,714.80	16.97	9,023,341.97	16.2				

N—Notched Money Orders      D—Denominative Money Orders

# EXCHANGE OF MONEY ORDERS BETWEEN CANADA AND OTHER COUNTRIES FOR FISCAL YEARS 1963-64 AND 1964-65

Countries	Issued in Canada			Payable in Canada		
	Number		Amount \$	Number		Amount \$
	1963-64	1964-65		1963-64	1964-65	
Antigua.....	547	582	9,460.82	37	67	1,240.13
Australia.....	2,766	2,649	37,621.50	2,682	2,483	26,047.30
Austria.....	3,410	3,366	79,396.89	708	837	13,769.58
Bahamas.....	451	451	7,927.35	94	142	1,227.90
Barbados.....	3,992	4,222	63,745.93	74	130	1,507.01
Belgium.....	3,576	3,358	75,554.74	154	3,996	1,304.81
Bermuda.....	989	1,035	13,919.88	3	849	142,816.84
Britain and Northern Ireland(a)	352,854	388,245	4,583,012.26	30	56	149,955.81
British Guiana.....	2,974	4,053	47,851.73	24,071	26,518	1,502.56
British Honduras.....	214	185	5,688.51	27	169	544,049.56
Denmark.....	1,940	1,927	34,965.92	641	771	1,574.59
Dominica.....	157	165	2,156.85	13	7	23,999.01
Fiji.....	134	190	1,562.74	13	7	152.60
France.....	21,898	22,369	473,132.17	5,819	8,242	250,525.88
Germany—Federal Republic of	31,060	29,017	718,028.59	13,204	14,659	550,925.05
Grenada.....	484	508	9,464.37	2	1	16.25
Hong Kong.....	1,092	1,028	26,346.70	6	76	36.25
Iceland.....	9,017	8,970	1,228.08	6	76	614.99
Ireland—Republic of.....	23,277	21,873	171,538.57	531	482	4,002.94
Italy.....	21,432	26,345	353,853.62	3,635	5,381	359,766.25
Japan.....	11,552	11,710	315,015.38	5	31.96	566,782.10
Malaysia.....	216	257	5,024.60	71	134	2,549.48
Mexico.....	495	613	9,376.97	10	7	88.64
Montserrat.....	421	469	4,320.91	10	32	79.51
Morocco—Kingdom of.....	166	132	3,490.75	35	11	192.21
Netherlands.....	19,169	17,054	295,577.70	26	1	1,765.40
New Zealand.....	2,213	2,160	31,509.64	2,567	2,876	69,303.64
Norway.....	1,113	1,091	29,175.58	491	585	8,452.23
Poland.....	356	348	6,048.61	125	168	1,191.53
Rhodesia and Nyasaland (Federation)(b)	681	620	18,678.03	207	25	3,174.05
St. Kitts-Nevis.....	574	808	8,088.82	43	25	447.22
St. Lucia.....	921	1,031	15,015.86	23	19	322.11
St. Vincent.....	1,182	1,195	21,038.33	24	19	352.11
South Africa—Republic of	3,785	3,168	57,933.19	420	481	229.48
Sweden.....	1,111	1,091	24,050.00	304	345	6,679.35
Switzerland.....	2,255	2,256	47,334.06	49,012.69	345	8,413.85
Trinidad.....	2,512	2,842	44,485.67	1,576	1,918	41,469.65
United States.....	1,659,115	1,705,469	15,175,072.26	230,778	274,784	5,680,966.44
Virgin Islands.....	35	43	215.83	6	10	155.70
Yugoslavia.....	3,911	3,610	98,720.64	6	10	76.60
	2,194,139	2,275,912	23,584,313.58	292,579	345,415	7,681,041.06
			24,550,136.43			9,285,388.63

(a) Britain and Northern Ireland—including British possessions and other countries using British exchange facilities.  
(b) Federation of Rhodesia and Nyasaland direct service suspended 1-12-63.



**OPERATIONS OF THE POST OFFICE SAVINGS BANK FOR THE TEN FISCAL YEARS  
ENDED MARCH 31, 1965**

Year ending 31st March	Balance on deposit beginning of Fiscal Year	Amount of deposits	Interest Allowed to Depositors	Amount of Withdrawals	Balance on deposit end of Fiscal Year	Number of Accounts end of Fiscal Year	Average at credit of depositors end of Fiscal Year	Number of Post Office Savings Banks 31st March
	\$	\$	\$	\$	\$		\$	
1956.....	36,780,666.17	9,241,387.75	698,775.58	10,556,369.38	36,164,460.12	296,424	122.00	1,453
1957.....	36,164,460.12	9,663,773.62	753,112.07	10,662,846.82	35,918,498.99	298,700	120.25	1,440
1958.....	35,918,498.99	9,097,663.78	852,084.85	10,972,519.00	34,895,728.62	300,619	116.08	1,466
1959.....	34,895,728.62	8,611,890.27	820,954.60	10,172,956.18	34,155,617.31	302,349	112.97	1,477
1960.....	34,155,617.31	7,235,391.37	774,960.74	12,793,511.38	29,372,460.93	302,611	97.06	1,484
1961.....	29,372,460.93	6,199,420.08	698,642.84	7,757,737.74	28,512,786.11	302,672	94.20	1,500
1962.....	28,512,786.11	5,790,429.07	675,928.71	7,614,024.93	27,365,118.96	302,079	90.59	1,508
1963.....	27,365,118.96	5,072,613.01	642,107.08	7,199,359.87	25,880,479.18	301,277	85.90	1,521
1964.....	25,880,479.18	4,813,401.99	608,779.13	6,697,740.63	24,604,919.67	301,024	81.72	1,525
1965.....	24,604,919.67	4,283,949.81	578,578.84	6,212,491.13	23,254,957.19	299,739	77.58	1,523



## STATEMENT OF POST OFFICE GUARANTEE FUND TRANSACTIONS

### SETS ON MARCH 31ST, 1964:

Cash on deposit in Post Office Savings Bank.....	\$ 20,817.72	
Bonds at cost adjusted for amortized premium and discount plus accrued interest.....	418,180.18	\$ 438,997.90

### ADDITIONS:

Interest on bonds.....	\$ 17,765.38	
Interest on bank deposits.....	242.97	
Collection of previous years' payments.....	5,281.68	\$ 23,290.03

\$ 462,287.93

### DEDUCTIONS:

Eleven withdrawals to reimburse the Department for losses due to malfeasance on the part of Post Office employees.....	\$ 19,900.62
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### SETS ON MARCH 31ST, 1965

Cash on deposit in Post Office Savings Bank.....	\$ 3,912.99	
Bonds at cost adjusted for amortized premium and discount, plus accrued interest.....	438,474.32	\$ 442,387.31

## NUMBER OF POST OFFICES

Province	Number of Offices in operation on March 31, 1964	Number of Post Offices established from April 1, 1964 to March 31, 1965	Number of Post Offices closed from April 1st, 1964 to March 31, 1965	Number of Post Offices in operation on March 31, 1965
Newfoundland.....	673	22	5	690
Prince Edward Island.....	106	0	0	106
Nova Scotia.....	803	3	24	782
New Brunswick.....	530	2	19	513
Quebec.....	2,423	57	19	2,461
Ontario.....	2,709	60	47	2,722
Manitoba.....	801	10	11	800
Saskatchewan.....	1,205	6	45	1,166
Alberta.....	1,048	17	23	1,042
British Columbia.....	901	26	18	909
Yukon.....	19	1	0	20
Northwest Territories.....	42	2	0	44
TOTAL.....	11,260	206	211	11,255

Total number of Post Offices in operation on 31st March 1964..... 11,260

Total number of Post Offices in operation on 31st March 1965..... 11,255

NET DECREASE..... 5

Number of Post Offices established from 1st April 1964 to 31st March 1965..... 206

Number of Post Offices closed from 1st April 1964 to 31st March 1965..... 211

## TOTAL STAFF BY TYPE OF OFFICE, 1964-65

	Full-Time	Part-Time	Total
<b>PAID OUT OF PARLIAMENTARY APPROPRIATION</b>			
Headquarters.....	943		943
District Offices (14).....	926		926
Railway Mail Service.....	444		444
Staff Post Offices (367).....	23,845	2,925	26,770
Sub Total.....	26,158	2,925	29,083
<b>PAID OUT OF POSTAL REVENUE</b>			
Semi-Staff Post Offices (1,382).....	2,880	1,635	4,515
Revenue Post Offices (6,882) <sup>1</sup> .....	6,882	112	6,994
Sub Offices <sup>2</sup> .....		2,149	2,149
Seasonal Offices.....		310	310
Postal Agencies.....		16	16
Sub Total.....	9,762	4,222	13,984
<b>GRAND TOTAL</b> .....	<b>35,920</b>	<b>7,147</b>	<b>43,067</b>

<sup>1</sup>These Postmasters are responsible for the provision of Postal Service on the basis of 44 hours per week. A number of them are devoting full time to postal duties and are under Superannuation. The others are not devoting their entire time to postal duties.

<sup>2</sup>These employees do not devote their full time to postal duties and do not come under the Superannuation Plan.

## INVESTIGATIONS 1964-1965

TABLE I

No. of Cases Carried from Previous Fiscal Year	No. of Cases Current fiscal year	No. of Employees Dismissed Without pros.	No. of Persons Prosecuted	No. of Charges Laid	No. of Charges Withdrawn	No. of Acquittals	No. of Convictions	No. of Charges in Court
1,378	4,209	60	*395	847	60	24	578	185

\*Of these prosecutions, 78 were of Post Office Personnel charged with theft, opening, delaying, secreting, abuse of mail, and misappropriation of public funds.

TABLE II

Offence	No. of Cases Investigated	No. of Persons Prosecuted	No. of Charges Laid	No. of Withdrawals	No. of Acquittals	No. of Convictions	No. of Charges in Court
Theft, Opening, Delaying and Secreting of Mail.....	611	95	256	10	5	202	39
Financial Irregularities..	500	36	80	26	12	36	6
Burglaries and Robberies	618	185	247	13	4	185	45
Receiving and Possession	24	7	13	2	1	5	5
Forgery and Uttering.....	312	17	162	1		95	66
Miscellaneous.....	3,522	55	89	8	2	55	24
<b>TOTALS</b> .....	<b>5,587</b>	<b>395</b>	<b>847</b>	<b>60</b>	<b>24</b>	<b>578</b>	<b>185</b>

## STATEMENT OF INDEMNITIES

REGISTERED, INSURED AND C.O.D.  
PAYMENTS AND COLLECTIONS FISCAL YEAR—1964-65

### 1. REGISTERED

(a) Domestic mails	
Number of indemnity claims paid.....	172
Amount of indemnity paid.....	\$ 4,445.88
Paid from Departmental Funds.....	\$ 3,955.34
Indemnity recovered.....	\$ 490.54
(b) International mails	
Number of indemnity claims paid.....	177
Amount of indemnity paid.....	\$ 1,214.76
Paid from Departmental Funds.....	\$ 354.20
Indemnity recovered.....	\$ 860.56

### 2. INSURED

(a) Domestic mails	
Number of indemnity claims paid.....	13,686
Amount of indemnity paid.....	\$250,881.25
Paid from Departmental Funds.....	\$240,919.50
Indemnity recovered.....	\$ 9,961.75
(b) International mails	
Number of indemnity claims paid.....	107
Amount of indemnity paid.....	\$ 2,061.37
Paid from Departmental Funds.....	\$ 1,362.14
Indemnity recovered.....	\$ 699.23

### 3. C.O.D.

Number of indemnity claims paid.....	3,781
Amount of indemnity paid.....	\$ 44,611.06
Paid from Departmental Funds.....	\$ 37,520.37
Indemnity recovered.....	\$ 7,090.69
Total number of indemnity claims paid.....	17,923
Total indemnity paid.....	\$303,214.32
Total indemnity recovered.....	\$ 19,102.77
Paid from Departmental Funds.....	\$284,111.55

## HOUSEHOLDER DIRECTORIES

SALES AND FREE DISTRIBUTION  
Year ended April 1, 1964 to March 31, 1965

	1963-64	1964-65
Newfoundland.....	293	192
Prince Edward Island.....	94	93
Nova Scotia.....	380	251
New Brunswick.....	352	251
Quebec.....	1,284	1,225
Ontario.....	2,766	1,981
Manitoba.....	610	652
Saskatchewan.....	1,108	954
Alberta.....	1,329	1,379
British Columbia.....	786	647
Yukon & Northwest Territories.....	41	34
TOTAL.....	9,043	7,659

## PURCHASING AND STORES

The following expenditures were made during the fiscal year 1964-65

	1963-64	1964-65
Equipment:		
Standard Mail Sortation and Handling Equipment.....\$	347,438	\$ 471,242
Special Mail Processing Equipment.....	38,630	131,361
Mechanical Mail Handling Equipment.....	12,359	35,090
Mail Boxes.....	142,905	148,067
Motor Vehicles.....	21,559	116,212
Towing Tractors.....	93,155	78,670
Stamp Vending Machines.....	12,327	
Scales.....	27,752	53,899
Locks and Keys.....	86,734	29,020
Other Operating Equipment.....	48,413	57,646
Office Stationery, Supplies and Equipment:		
Printed Supplies (Administrative).....	366,871	400,789
Stationery Supplies.....	195,372	258,341
Office Equipment.....	42,965	94,474
City Directories.....	37,733	38,886
Operating Materials and Supplies:		
Bundle Tying Materials.....	311,212	224,119
Printed Supplies (Mail Handling).....	347,418	336,235
General and Sundry Operating Supplies.....	103,370	100,187
Uniforms.....	751,351	503,692
Mail Bags and Letter Carrier Satchels.....	731,226	884,539
Materials for Uniforms and Mail Bags.....	375,753	743,891
Departmental Reports and other Publications.....	137,654	123,885
Repairs and Upkeep of Equipment.....	295,237	328,860
Rental of Equipment.....	90,998	99,181
Freight, Express and Cartage.....	60,063	72,080
Inspection of Postal Scales.....	21,800	21,500
Total for the year 1963-64.....	\$4,700,295	
Total for the year 1964-65.....		\$ 5,351,866

## AIR MAIL STATISTICS

Service	1963-64		1964-65	
	Mail Carried	Cost	Mail Carried	Cost
		\$		\$
Air Canada—Domestic.....	11,643,486 (ton-miles)	7,420,000	13,121,083 (ton-miles)	7,730,000
Air Canada—International.....	1,515,267 (pounds)	3,653,498	1,690,658 (pounds)	4,334,808
C.P.A.—Domestic.....	436,531 (ton-miles)	1,090,132	478,735	1,201,845
C.P.A.—International	627,874 (pounds)	1,531,526	735,596 (pounds)	1,811,906
Others—Domestic.....	1,274,284 (ton-miles)	2,146,278	1,445,236	2,348,305
		15,841,434		17,426,864

## CITY SERVICE STATISTICS

	1963-64		1964-65	
	No. of Services	Cost	No. of Services	Cost
		\$		\$
Parcel Post Delivery.....	188	5,703,950	189	6,069,843
Street Collections.....	360	3,020,478	358	3,345,020
*Combined Operation.....			21	
Conveyance of Letter Carriers....	224	1,020,407	232	1,099,548
Other City Services (PO-Stns-Wharves-Shuttle, etc.).....	245	3,107,726	242	3,292,587
		12,852,561		13,806,998

\*Represents the performance of Parcel Post, Special Delivery, and Street Letter Box Collection Services under a combined operation, the expenditure for which is included with the amounts shown for Parcel Post Delivery and Street Collections above.

## HIGHWAY SERVICE STATISTICS

	1963-64	1964-65
Number of Services .....	431	468
Cost of Highway Services.....	\$5,571,588	\$6,052,764

## RURAL SERVICE STATISTICS

### RURAL MAIL DELIVERY (Including Suburban Services)

	1963-64	1964-65
Number of Routes.....	5,639	5,643
Number of Extensions.....	1,111	1,049
Number of Householders.....	644,769	654,653
Cost of Rural Mail Delivery.....	\$10,704,720	\$11,020,615

## SIDE SERVICES

	1963-64	1964-65
Number of Services.....	1,319	1,169
Cost of Side Services.....	\$979,639	\$818,069

## STAGE SERVICES

	1963-64	1964-65
Number of Services.....	1,878	1,858
Cost of Stage Services.....	\$2,576,653	\$ 2,693,160



## RAILWAY MAIL STATISTICS

	1963-64	1964-65
Railway Post Offices in Operation.....	44	42
Baggage Car Services.....	295	250
Number of Railway Mail Clerks.....	498	444
Miles travelled by Railway Mail Clerks.....	21,826,702	19,653,548
Cost of Mail Service by Railway.....	\$14,698,376	\$14,442,117

## WATER SERVICE STATISTICS

	1963-64	1964-65
Number of Domestic Water Routes.....	37	35
Cost of Domestic Water Services.....	\$ 890,196	\$ 862,518
Cost of International Water Services.....	\$ 1,362,858	\$ 1,468,861
Cost of Top Wharfage.....	\$ 59,998	\$ 57,401
	\$ 2,313,052	\$ 2,388,780

## UNDELIVERABLE MAIL 1964-65

### INTERNATIONAL MAIL MATTER—

of Foreign and Domestic origin undeliverable in Canada and abroad

Foreign origin.....	3,578,591
Canadian origin.....	146,011

### DOMESTIC MATTER—

Undeliverable as addressed..... 15,204,835

GRAND TOTAL..... 18,929,437

### UNCLAIMED PARCELS

of Canadian origin undeliverable in Canada and abroad..... 75,069

### CASH STATEMENT

(a) Cash found in undeliverable mail.....	\$51,627.29
(i) Cash refunded.....	\$34,263.99
(ii) Cash unclaimed.....	17,363.30
(b) Revenue collected on returned undeliverable mail.....	\$26,042.49
(c) Proceeds of the sale of unclaimed articles.....	\$ 8,038.16









# REPORT OF THE POSTMASTER GENERAL

for the year ended MARCH 31

# 1966



## CANADA POST OFFICE







# REPORT OF THE POSTMASTER GENERAL

For the year ended  
March 31, 1966

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196.7/66





CANADA

OFFICE OF THE POSTMASTER GENERAL

*His Excellency The Right Honourable Roland Michener, P.C., Q.C.  
Governor General and Commander-in-Chief of Canada.*

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour to forward to Your Excellency the accompanying report of the Canada Post Office for the year ended March 31st, 1966, which is hereby respectfully submitted.

I have the honour to be, Sir

Your Excellency's Most Obedient Servant,

A handwritten signature in cursive script, reading "Jean Quilley".

*Postmaster General*





CANADA

DEPUTY POSTMASTER GENERAL

*The Honourable Jean-Pierre Côté, P.C., M.P.*

*Postmaster General of Canada*

SIR:

I have the honour to submit the report of the Canada Post Office for the year ended March 31st, 1966, outlining the services performed.

Respectfully submitted,

A handwritten signature in cursive script, likely belonging to the Deputy Postmaster General.

*Deputy Postmaster General*

HON. JEAN-PIERRE CÔTÉ, P.C., M.P.  
*Postmaster General*

W. H. WILSON  
*Deputy Postmaster General*

C. DAZÉ  
*Assistant Deputy Postmaster General*

J. A. MACDONALD  
*Comptroller*

*Branch Directors*

J. B. GAUNT.....	Postal Service (Acting)
R. A. CATHRO.....	Transportation
F. PAGEAU.....	Postal Rates and Classification
T. BOND.....	Personnel
J. G. CUNNINGHAM.....	Information and Public Relations
L. V. MCGURRAN.....	Accounting
E. W. JAY.....	Budgets
H. D. WETHEY.....	Engineering
M. FORTIN.....	Management Audit
M. LYSACK.....	Planning and Special Projects

*District Postmasters*

R. BOILEAU.....	Montreal
C. B. MACNABB.....	Ottawa
J. D. O'CONNELL.....	Toronto
G. TOAL.....	Winnipeg
R. F. REID.....	Vancouver

*District Postal Service Directors*

D. R. CLARKE.....	St. John's
M. D. O'BRIEN.....	Halifax
G. N. BUDRESKI.....	Saint John
J. B. DUPUIS.....	Quebec
J. A. CORMIER.....	Montreal
G. C. CHARLEBOIS.....	Ottawa
J. G. FULTZ.....	Toronto
J. A. FLAHERTY.....	London
J. C. A. FILIATRAULT.....	North Bay
H. F. MURRAY.....	Winnipeg
G. CHELSOM.....	Saskatoon
W. S. CUMMINGS.....	Calgary
G. G. WALKER.....	Edmonton
A. E. CATTERALL.....	Vancouver



# POSTMASTER GENERAL'S REPORT 1966

## Introduction

A major expansion of services was the primary achievement by the Canada Post Office in 1965-66.

As the volumes of mail increased, personnel training and the streamlining of handling methods ensured that the public and industry continued to receive the modern and high quality postal services they require.

With revenues approaching \$300 million, the latest concepts and techniques of modern management were applied to service the new and growing needs of the individual and business.

The costs of providing modern postal services continued to rise, and charges for some services were adjusted to meet the increase in costs. The rates for the basic mail service in Canada—the collection, processing and delivery of the four classes of mail (letters; newspapers and magazines; printed material; and parcels), remained unchanged, however, and a deficit of over \$30 million was incurred.

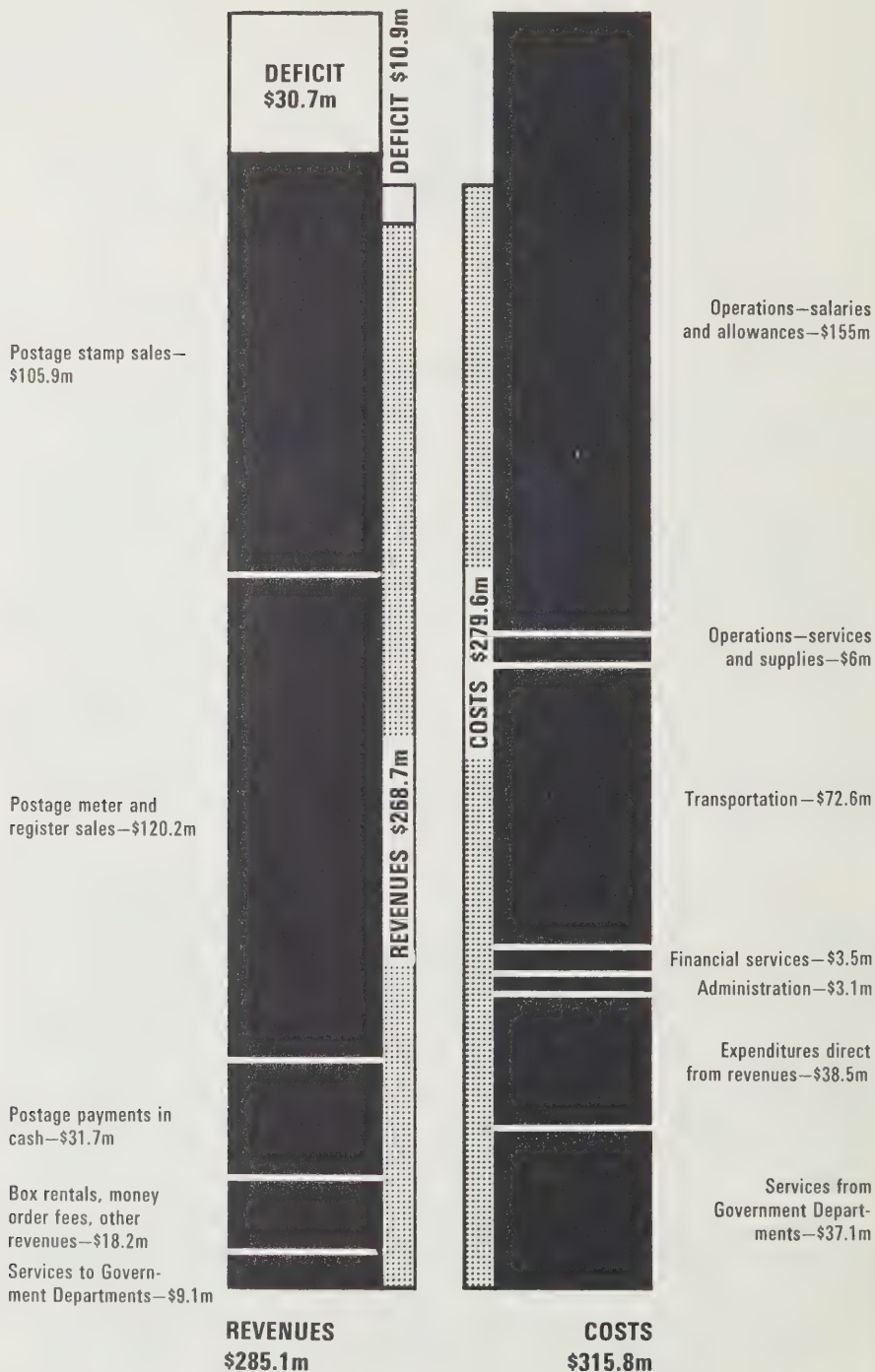
A strike involving 12,000 members of three postal unions occurred in July-August, causing total or partial disruption of vital mail services in various parts of the country. Mr. Justice J. C. Anderson was appointed Commissioner to review pay increases offered by the Government. He recommended larger pay increases, ranging from \$510 to \$550. The recommendation was accepted, and established maximum salaries of \$4470, \$4905, \$5090, \$5215, \$5400 and \$5645 for the various personnel involved. More than 70,000 man-days were lost, at a cost of \$1.3 million in salaries. The estimated loss of revenue for the Canada Post Office was \$2.3 million, while the net cost was over one million dollars.

Following settlement of the dispute, Mr. Justice André Montpetit was appointed Chairman of a Commission of Enquiry into Working Conditions of the Post Office. The other members of the Commission were a representative of the Post Office unions and a representative of Post Office management. The report of the Commission was to be made after the end of the fiscal year.

# REVENUES AND COSTS

1964-65 1965-66

in millions of dollars



## **12 Million Pieces**

In 1965-66, the 25,000 full-time employees directly involved in postal services maintained the quality of service at high standards, while mail volume increased substantially, to 12 million pieces a day.

More than 3.5 million householders and businesses received daily door-to-door mail delivery while over 650,000 addresses were served by suburban and rural delivery. Services were provided from 520 major post offices and 10,652 smaller offices across the country.

Thirty-two communities were added to those eligible to receive door-to-door service, due to the reduction of the minimum of points of call required for letter carrier delivery, from 2500 to 2000. The service was introduced to seven of these communities in 1966, while the others will be added in 1966-67. At the end of the fiscal year, 7358 letter carrier routes and 5624 rural routes and suburban services were in operation.

The expanding national and world-wide communications needs of business provided a constant challenge. Merchants large and small marketed their goods and services to the nation through the mail; newspaper and magazine publishers reached millions of readers through the post office.

Major steps were taken to tailor postal services to the needs of businesses located in the growing number of high-rise office buildings. New post offices, mail rooms, collections and deliveries were arranged to meet the on-the-spot service requirements of business. Postage meters in use rose to over 44,000, while the number of post office boxes for rent approached one million.

## **Testing the Service**

The quality control program was extended to a large number of additional offices. Designed to aid in the maintenance of service standards, the program includes a new system of testing mail service between various communities across the country.

The improvement of service achieved was shown by the decline of formal enquiries and claims for losses from 314,000 to 313,000, in the face of higher mail volume: 4.6 billion pieces of mail were handled in 1965-66. The number of enquiries and claims involving international mail did go up, however, and a study of insurance and claims for international mail is underway.

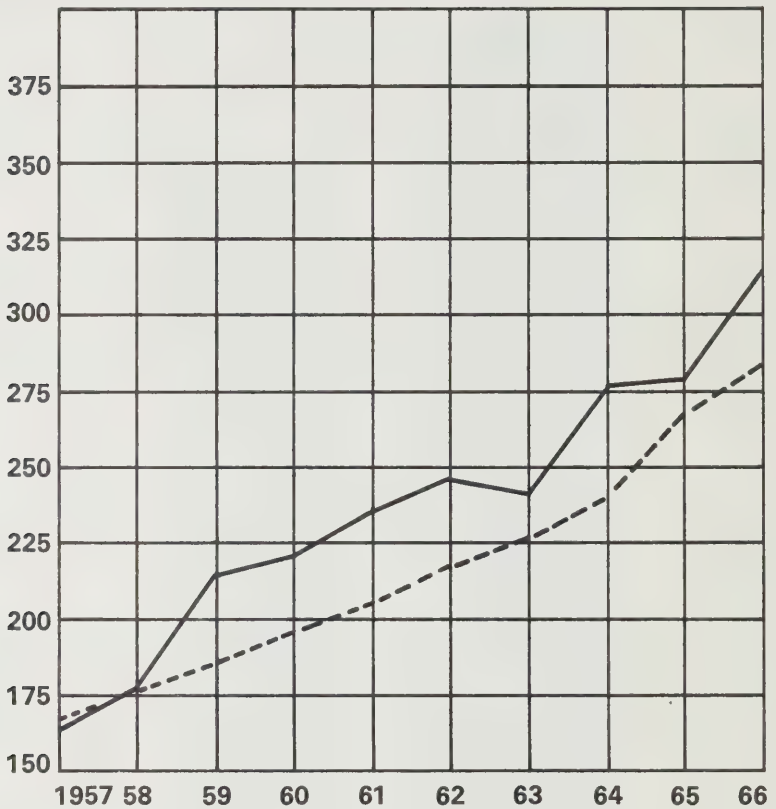
The volume of undeliverable mail increased from 18 million to more than 29 million pieces due to a change in policy for handling third class mail which cannot be delivered. Under the new policy, unless a third class item carries a printed request for return, it is sent to the Undeliverable Mail Office to be destroyed.

# CANADA POST OFFICE

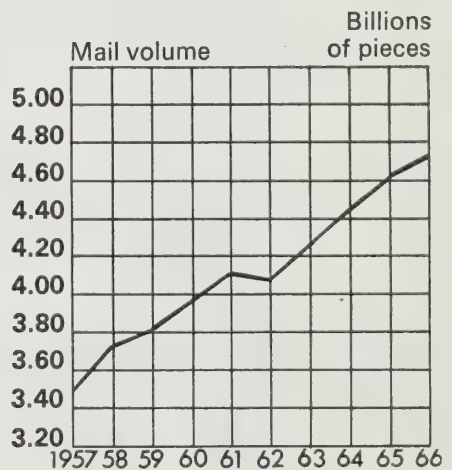
## 1957-1966

Millions of  
Dollars

Revenues and Costs



Revenues - - - - - Costs ———



New techniques in obtaining data were employed to enable management to closely monitor trends in the use of postal services. Among the many changes introduced to simplify the processing of domestic mail was the abolition of the commercial papers category. Size restrictions were put into effect on large mailings of sample merchandise for delivery at letter carrier offices. Improved preparation and processing of Canadian Government mailing were also put into effect, resulting in superior service at lower cost.

As chairman of the Finance Committee of the Universal Postal Union, the Canada Post Office played an important role in the continuing development of international postal services throughout the world. Substantial progress was made in speeding the handling and delivery of international mail, through negotiations with members of the Universal Postal Union, which has its headquarters in Berne. A new rate system for international surface parcel post was introduced. The change, from 145 routes to four zones around the world, meant simple rates and better service for patrons.

Almost 56 million postal money orders, worth more than \$965 million were sold in the fiscal year. Money orders issued by the Canada Post Office and redeemed abroad totalled \$24.4 million, while foreign postal money orders redeemed in Canada amounted to \$10 million. Most of the money order business abroad was with the United States, Jamaica, Europe and Japan. Deposits with the Canada Post Office Savings Bank during the year were \$3.9 million, while withdrawals were \$5.7 million, leaving a balance of \$22 million. The 298,000 depositors were served at 1527 post offices.

### **Faster Service by Air, Rail and Road**

The patrons of mail services benefitted from the continued growth and development of transportation.

Over 500 new mail transport contracts worth \$2.25 million were awarded by public tender. The payments on more than 1200 existing agreements were increased to meet higher operating costs; the increased payments totalled \$656,000. A new formula for assessing costs in negotiating contracts was implemented, providing better contracts, to the benefit of the Post Office and the companies providing transport services.

More overseas mail was carried by Canadian air lines, as pooling agreements with foreign carriers and route extensions were completed. The volume of mail carried by airlines in Canada reached almost 16 million ton-miles in 1965-66. Improved services were provided by air to a number of cities, including Regina, Swift Current, Calgary and Vancouver; communities on the North Pacific and North Atlantic coasts and in northern Quebec; and the Magdalen Islands in the St. Lawrence Gulf.

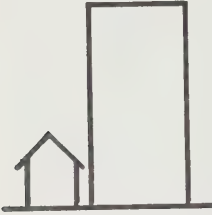


## YEAR IN BRIEF



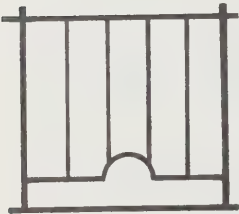
Mail volume — pieces

4.6 billion



Businesses and households served

4.1 million



Post offices in service

11,172



Personnel

44,244



Revenues\*

\$285.1 million

Costs\*

\$315.8 million

Deficit

\$30.7 million

\*Including services provided to and provided by Government Departments.  
Statements on pages 21 to 28.



The rationalization of railway postal services continued during the year as the railways reorganized their passenger and freight train services. Increasing volumes of bulk mail were conveyed on fast freight trains as they grew in frequency. Railway mail car operations were transferred from Canadian Pacific to Canadian National passenger trains between Montreal and Winnipeg, and between Ottawa and Toronto.

Experiments were conducted jointly with Canadian National and Canadian Pacific Railways in the use of road-rail containers between London, Toronto, Montreal, Moncton and Halifax.

Highway transport services continued to expand and provided faster delivery to many communities, large and small, across the country. Six-day-a-week transport service was introduced to a number of smaller communities for the first time, in keeping with the policy of extending daily delivery to as many places as possible throughout the country.

Contracts for urban delivery, special delivery, parcel delivery, and collection from mail boxes—which have been let separately—are being combined in each city into one operation, carried out by one contractor. The result is better use of vehicles and better service, at substantially less cost. The new contracts were put into effect in 32 cities in 1965-66.

### **Collective Bargaining**

Major changes in personnel policies and practices by the Government and the Canada Post Office resulted in a reorganization of personnel management, which was still underway at the end of the year.

The enquiry into Working Conditions of the Post Office was continuing at the end of the fiscal year. An important step taken in December was the establishment of a staff relations division to participate in collective bargaining when new legislation comes into effect.

The establishment of comprehensive records on the education, training, qualifications and potential of all post office personnel was underway as part of the career development program of the Canada Post Office.

Over 600 personnel were promoted through competitions for positions in the organization.

More than 200 employees attended courses and seminars conducted by universities, the Civil Service Commission, professional associations and other organizations. Management training positions at headquarters and in the field were used extensively for the development of qualified personnel, and university graduates were recruited for junior executive positions.

Integration of the Public Service Superannuation Plan and the Canada Pension Plan, a major project, was accomplished, and the plans explained to the personnel.

## New Post Office for Edmonton

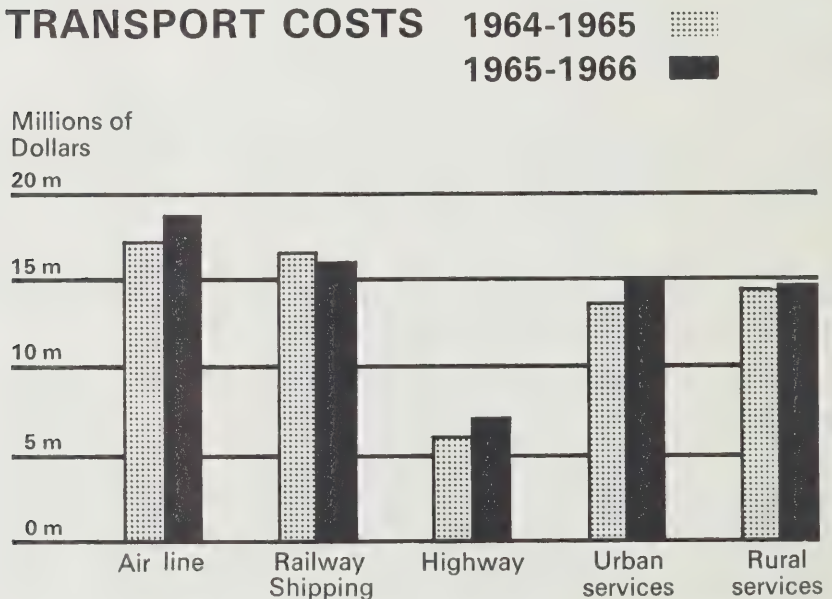
A substantial building program was carried out by Post Office engineers in 1965-66. Occupation of a new terminal at Edmonton was planned for mid-1966 while major new terminals are to go into operation in Ottawa in 1969 and Toronto in 1971. Complete studies of the mail flow systems at the Scarborough (Toronto), Calgary and Hamilton post offices were underway. Systems at Halifax, Quebec, Montreal International Airport, Toronto, London, Winnipeg, Regina and Vancouver, were revamped or improved.

More than 1200 units of the initial production of a reinforced plastic letter box designed by Post Office engineers were installed at various locations.

Research projects included development of a new parcel sorting machine. The unit is to be tested in Winnipeg, where other modern sorting equipment is being tested under a continuing research program.

## Supreme Court Decision

An important development in the prevention of illegal use of the mail was a decision of the Supreme Court of Canada which declared that (a) interim prohibitory orders issued by the Postmaster General apply to mail



posted before, and after, the issuance of the orders; (b) a hearing is not required before the issuance of orders; and (c) the Post Office is not liable for damages caused by prohibitory orders.

Investigation services were increased to cover expanded postal operations. Over 5300 cases were investigated, including 1098 cases of the theft, opening, delaying or secreting of mail; and robberies and burglaries. A total of 381 persons were prosecuted, including 73 Post Office personnel.

The Post Office Guarantee Fund, used to cover losses due to malfeasance of employees, was increased by \$25,000, while there were 25 withdrawals, totalling \$17,000, leaving a net balance of \$450,000.

### Modern Management

New concepts and methods were introduced to management services on a wide scale. A reorganization of accounting and clerical services was implemented in a number of areas, including the COD service and the transportation branch. The library was reorganized to meet research requirements of a large organization.

A new flexible budget system, developed and tested in the Toronto Post Office last year, was introduced into the Montreal, Ottawa and London districts.

THE POST OFFICE ACROSS CANADA



11,172

The expansion of data processing proceeded with planning for the first field computer, to be located in the Toronto Post Office. It will be linked with the Canadian Government data processing service in Ottawa. Studies were also underway regarding a computer at Post Office headquarters in Ottawa, as well as another field unit at the Montreal Post Office. The first programs in which the computer in Toronto will be used are the co-ordination of the number of personnel required to process the fluctuating volume of mail; the provision of data for productivity analysis; and payroll and vacation calculation.

During the year, a long-term reorganization of public relations management was underway. A new public relations program was launched to alert the public and business, through various media, to the full range of modern postal services.

The 1965-66 marketing program included demonstrations to businessmen in major cities on how to organize a mail room and how to expedite incoming and outgoing mail through Canada Post Office facilities. An advertising budget of \$350,000 was used to promote good mailing practises for speeding the mail.

Among the major research projects carried out during the year were a continuing survey and comprehensive analysis of the revenue and expense of the four classes of mail; a study of the postal zone system presently in effect in six major cities; and the examination of various address code systems which incorporate the sorting, despatching and delivery factors of mail handling.

## 668.5 million commemorative stamps

Almost \$106 million in stamps were sold during the year, with total press runs of 668.5 million for 16 commemorative stamps. The largest single production of a commemorative stamp was the three-cent Christmas issue, with a volume of 285 million. The philatelic service received almost 130,000 orders from philatelists all over the world, and sold one million dollars worth of stamps to collectors and dealers.

Of the 16 commemorative stamps issued during the fiscal year, eight were part of a floral emblem series honouring the provinces of Canada. Canada's participation in space research was saluted upon the successful launching of the Alouette II satellite. The adoption of a national flag for Canada; Sir Winston Churchill's contribution to world affairs; the first meeting in Canada of the Interparliamentary Union; Sir Wilfred Grenfell's achievements in serving the residents of Labrador in the early 20th Century, and the centenary of Ottawa as the national capital were all marked by commemorative stamps.

### Manitoba

Date of Issue—28th April 1965

Design—Canadian Bank Note Co. Ltd.

Colours— Brown, Purple  
and Green

Quantity— 15 million





British Columbia

Date of Issue—28th April 1965

Design—Canadian Bank Note Co. Ltd.,

Colours— Purple, Yellow  
and Green

Quantity— 16 million



Sir Wilfred Grenfell

Date of Issue—9th June 1965

Design—Canadian Bank Note Co. Ltd.

Colour—Green

Quantity—25 million



The National Flag

Date of Issue—30th June 1965

Design—Canadian Bank Note Co. Ltd.

Colours—Red and Blue

Quantity—35 million



Prince Edward Island

Date of Issue—21st July 1965

Design—Canadian Bank Note Co. Ltd.

Colours—Pink, Green and Purple

Quantity—25 million



Sir Winston Churchill

Date of Issue—12th August 1965

Design—Philip Weiss from a Photograph by  
Yousuf Karsh

Colour—Brown

Quantity—35 million





**Interparliamentary Union**

Date of Issue—8th September 1965

Design—Philips-Gutkin Ltd.

Colour—Green

Quantity—16 million



**Ottawa-National Capital**

Date of Issue—8th September 1965

Design—Gerald Trottier

Colour—Brown

Quantity—14 million



**Christmas 1965**

Date of Issue—13th October 1965

Design—Helen Fitzgerald

Colours 3¢

Green

Quantity— 285 million



**Christmas 1965**

Date of Issue—13th October 1965

Design—Helen Fitzgerald

Colours 5¢

Blue

Quantity— 95 million



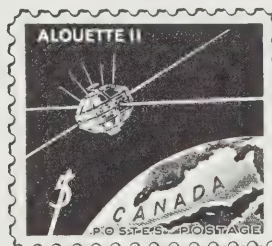
**Alouette II—Space Research**

Date of Issue—5th January 1966

Design—Canadian Bank Note Co.

Colour—Blue

Quantity—26 million



#### Alberta

Date of Issue—19th January 1966

Design—Canadian Bank Note Co. Ltd.

Colours— Green, Red  
and Green

Quantity— 15 million



#### Saskatchewan

Date of Issue—19th January 1966

Design—Canadian Bank Note Co. Ltd.

Colours— Brown, Green  
and Orange

Quantity— 14.5 million



#### Newfoundland

Date of Issue—23rd February 1966

Design—Canadian Bank Note Co. Ltd.

Colours—Green, Red and Black

Quantity—24 million



#### Yukon

Date of Issue—23rd March 1966

Design—Canadian Bank Note Co. Ltd.

Colours— Blue, Red  
and Green

Quantity— 14 million



#### Northwest Territories

Date of Issue—23rd March 1966

Design—Canadian Bank Note Co. Ltd.

Colours— Olive, Yellow  
and Green

Quantity— 14 million



# STATEMENT OF REVENUES AND COSTS FOR THE YEAR ENDED 31ST MARCH, 1966

## Revenues

Postal revenues (statement on page 22).....	\$276,050,600	
Services provided to Government Departments		
Postal services, including franked mail.....	\$ 5,282,800	
Interest on money order account.....	2,630,600	
Interest on savings bank accounts.....	1,226,100	
	<hr/>	
	9,139,500	
	<hr/>	
		\$285,190,100

## Costs

Operating expenditures		
Expenditures paid from Parliamentary appropriations, of which \$237.5 million was provided by postal revenues (statement on page 25).....	\$240,206,500	
Expenditures paid directly from postal revenues (statement on page 23).....	38,512,000	
Services provided by Government Departments		
Accommodation — Department of Public Works.....	\$25,528,700	
Accounting — Department of Finance.....	650,100	
Superannuation contributions and health insurance premiums — Department of Finance.....	10,144,100	
Employee compensation payments — Department of Labour.....	269,900	
	<hr/>	
	\$36,592,800	
Interest on savings bank accounts — Department of Finance.....	547,300	
	<hr/>	
	\$ 37,140,100	
	<hr/>	
		\$315,858,600
		<hr/>
DEFICIT.....		<u>30,668,500</u>

## POSTAL REVENUES

	1965-66	1964-65	Increase or Decrease*
Postage			
Stamp sales.....	\$105,878,986	\$103,893,950	\$ 1,985,036
Meter and Register sales.....	120,240,809	112,970,816	7,269,993
Payments in cash			
First Class (letters).....	872,159	577,386	294,773
Second Class (newspapers and magazines)	8,750,719	8,433,458	317,261
Third Class (printed material).....	14,182,658	13,521,441	661,217
Fourth Class (parcels).....	10,966	176,943	165,977*
Government Mail.....	7,896,922	7,005,060	891,862
	257,833,219	246,579,054	11,254,165
Post Office Box rentals.....	2,433,004	2,227,284	205,720
Money Order Fees.....	9,087,566	9,029,778	57,788
Commission on foreign money orders.....	12,125	9,865	2,260
Profit on exchange transactions with other countries.....	195,369	154,155	41,214
Charges on parcels from abroad.....	2,712,442	2,380,787	331,655
Charges for transit of foreign mail in and through Canada.....	2,299,996	1,924,750	375,246
Fees from sale of Unemployment Insurance stamps and meter impressions.....	1,240,000	1,240,000	—
Fees for collection of Government annuity premiums.....	69,000	67,008	1,992
Miscellaneous.....	167,837	144,641	23,196
TOTAL.....	\$276,050,558	\$263,757,322	\$ 12,293,236

## EXPENDITURES PAID DIRECTLY FROM POSTAL REVENUES

	1965-66	1964-65	Increase or Decrease*
	\$	\$	\$
Salaries and Allowances			
Revenue Post Offices.....	12,311,983	10,721,877	1,590,106
Semi-Staff Post Offices.....	16,109,473	13,893,104	2,216,369
Sub-Post Offices.....	5,171,442	4,213,174	958,268
Discount to vendors of Postage Supplies.....	13,917	19,123	5,206*
Special Delivery Messengers.....	894,375	892,023	2,352
Losses by fire, theft and forgery <sup>(1)</sup> .....	149,638	131,586	18,052
Commission on Canadian money orders payable in foreign countries.....	35,729	36,246	517*
Charges on parcels to foreign countries.....	1,969,101	1,782,839	186,262
Charges for transit of Canadian mail in and through foreign countries.....	1,529,131	1,294,395	234,736
Claims paid on insured, C.O.D. and registered items.....	327,183	284,262	42,921
	<u>38,511,972</u>	<u>33,268,629</u>	<u>5,243,343</u>

<sup>(1)</sup>Losses in 1965-66 include \$31,733 in cash. The balance is postage supplies and stamps.

## PURCHASES GOODS AND SERVICES

	1965-1966	1964-1965
<i>Goods</i>		
Equipment		
Mail Processing Equipment.....	\$ 648,604	\$ 637,693
Mail Boxes.....	291,904	148,067
Vehicles.....	16,560	116,212
Tractors.....	55,925	78,670
Stamp Vending Machines.....	87,442	—
Scales.....	34,432	53,899
Locks.....	49,361	29,020
Other mail and office equipment.....	277,724	152,120
Office Supplies		
Printed Supplies.....	531,379	400,789
Stationery.....	318,950	258,341
City Directories.....	42,150	38,886
Operating Supplies		
Bundle Tying Materials.....	250,468	224,119
Printed Materials.....	473,871	336,235
Miscellaneous.....	104,603	100,187
Uniforms.....	847,104	503,692
Mail Bags and Satchels.....	620,099	884,539
Materials for Uniforms and Bags.....	561,409	743,891
<i>Services</i>		
Printing—Post Office publications and reports.....	158,755	123,885
Equipment Maintenance.....	266,392	328,860
Equipment Rental.....	102,553	99,181
Transporting equipment and supplies .....	86,310	72,080
Inspection of Scales.....	21,500	21,500
	\$5,847,495	\$5,351,866



	Operations	Transportation	Financial Services	Administration	Total
	\$	\$	\$	\$	\$
Postmaster General — Salary and Allowance.....	136,979,080	369,120	1,674,281	17,000	17,000
Miscellaneous Gratuities.....	8,991,610	66	43,453	980	980
Exchequer Court Awards.....	6,960,276	654	13,104	13,475	13,475
Refunds of Revenue Previous Years—F.A. Act.....	1,436,383			50	50
Continuing Establishment.....	102,282			2,290,370	141,312,851
Casuals and others.....	244,186			11,807	9,035,256
Overtime.....	235,528				6,985,841
Night Differential.....	43,225				1,436,383
Isolation and other Allowances.....	1,914				102,282
Mileage Allowance.....					244,186
Boot Allowance.....					235,528
Corps of Commissionaires.....					61,742
Professional and Special Services.....					61,774
Night Depository and security Transfer of Cash.....	475,074	9,585	33,036	18,517	59,860
Travelling and Removal Expenses.....	85,761		1,104		33,036
Freight, Express and Cartage.....	207,215	2,480	4,887		684,097
Telephone and Telegrams.....	116,934			198,334	86,311
Publication of Departmental Reports and other Materials.....				550	235,286
Exhibits, Advertising, Films, Broadcasting and Displays.....				20,704	158,755
Office Stationery, Supplies and Equipment.....				41,821	302,638
Rental of Accounting Machines.....	881,220	4,042	89,292	302,638	1,084,049
Mail Bags and Letter Carrier Satchels.....			93,067	109,495	93,067
Uniforms.....	620,099				620,099
Materials and Supplies.....	847,105				847,105
Money Order Forms.....	799,154				799,154
Manufacture of Postage Stamps and Stamped Postage Supplies.....			156,776		156,776
Postage Meter and Postage Register Supplies.....			1,414,317		1,414,317
Rental of Storage Space.....	13,345		26,785		26,785
Acquisition of Equipment.....	1,232,580			13,345	13,345
Repairs and upkeep of Equipment.....	378,087				1,232,580
School of Equipment.....	102,554			130	378,217
School Fees and Public Utility Services.....	9,135				102,554
Fees — Universal Postal Union and Postal Union of the Americas.....				9,135	9,135
Unemployment Insurance Contributions.....	181,423			37,556	37,556
Sundries.....	4,248		470		181,893
Mail Service by Rail.....		10			13,123
Mail Service by Land Conveyances.....		13,724,631		8,865	13,724,631
Mail Service by Air.....		37,052,099			37,052,099
Mail Services by Water.....		18,968,526			18,968,526
		2,443,976			2,443,976
	160,948,418	72,575,189	3,550,572	3,132,279	240,206,458

# **STATEMENT OF REVENUES AND COSTS** **FISCAL YEARS 1956-57 TO 1965-66**

In Millions of Dollars

Fiscal Year	Revenues			Costs				Surplus* or Deficit
	Postal Revenues	Services provided to Government departments	Total	Expenditures paid from parliamentary appropriations	Expenditures paid directly from revenues	Services provided by Government departments	Total	
1956-57 .....	167.9	.....	167.9	140	22.1	.....	162.1	5.8*
1957-58 .....	177.5	.....	177.5	153.3	24.6	.....	177.9	.4
1958-59 .....	183.4	3	186.4	157.8	25.8	27.8	211.4	25
1959-60 .....	193.7	3.2	196.9	165.8	26	28.5	220.3	23.4
1960-61 .....	202	3.6	205.6	178.4	28.4	30	236.8	31.2
1961-62 .....	213.6	3.9	217.5	185	29.8	31.7	246.5	29
1962-63 .....	222.4	4.3	226.7	189.3	29.5	32.6	251.4	24.7
1963-64 .....	235.9	4.4	240.3	206.9	35.1	35.2	277.2	36.9
1964-65 .....	263.8	4.9	268.7	210.5	33.3	35.8	279.6	10.9
1965-66 .....	276	9.1**	285.1	240.2	38.5	37.1***	315.8	30.7

\*\* Includes interest computed on balances in money order account and savings bank funds.

\*\*\* Includes interest paid to savings bank depositors.

## POST OFFICES IN SERVICE

District	Beginning of Year	End of Year
St. John's.....	690	682
Halifax.....	782	758
Saint John.....	641	625
Quebec.....	1,089	1,078
Montreal.....	1,131	1,149
Ottawa.....	709	719
Toronto.....	1,090	1,083
London.....	532	531
North Bay.....	475	461
Winnipeg.....	941	930
Saskatoon.....	896	885
Calgary.....	723	715
Edmonton.....	708	706
Vancouver.....	848	850
<b>TOTAL.....</b>	<b>11,255</b>	<b>11,172</b>

## BUILDING PROGRAM

	Completed	Under Construction
Newfoundland.....	5	1
Nova Scotia.....	6	1
New Brunswick.....	1	1
Quebec.....	23	9
Ontario.....	20	14
Manitoba.....	1	3
Saskatchewan.....	12	3
Alberta.....	6	2
British Columbia.....	3	2
Northwest Territories.....	1	1
<b>TOTAL.....</b>	<b>78</b>	<b>37</b>

## UNDELIVERABLE MAIL

International.....	5,321,068	
Domestic.....	23,740,465	
TOTAL.....		<u>29,061,533</u>
Unclaimed Parcels.....		<u>76,673</u>
Cash found in undeliverable mail.....	\$51,770	
Refunded.....	<u>34,803</u>	
Unclaimed.....		\$16,967
Revenue from postage fees on returned undeliverable mail.....		\$31,462
Revenue from the sale of unclaimed articles .....		<u>\$ 7,814</u>
		\$56,243



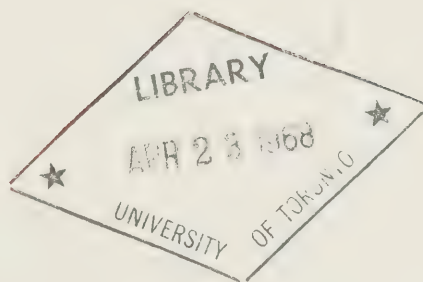




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1966/67







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ROGER DUHAMEL, F.R.S.C.  
Queen's Printer and Controller of Stationery  
Ottawa, 1968

Cat. No.: Po1-1967



CANADA

OFFICE OF THE POSTMASTER GENERAL

*To His Excellency The Right Honourable Roland Michener, P.C., Q.C.  
Governor General and Commander-in-Chief of Canada.*

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour herewith, for the information of Your Excellency and the Parliament of Canada, to present the Annual Report of the Canada Post Office for the year ended March 31st, 1967.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Jean Paré", with a long, sweeping underline.

*Postmaster General*







CANADA

OFFICE OF THE DEPUTY POSTMASTER GENERAL

*To the Honourable Jean-Pierre Côté, P.C., M.P.*

*Postmaster General of Canada*

SIR:

I submit herewith the Annual Report of the Canada Post Office  
for the year ended March 31st, 1967.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "W. A. G. G.", written in dark ink.

*Deputy Postmaster General*

HON. JEAN-PIERRE CÔTÉ, P.C., M.P.  
*Postmaster General*

W. H. WILSON  
*Deputy Postmaster General*

C. DAZÉ.....	<i>Assistant Deputy Postmaster General— Operations</i>
R. A. CATHRO.....	<i>Director—Transportation</i>
H. D. W. WETHEY.....	<i>Director—Engineering</i>
J. B. GAUNT.....	<i>Director—Postal Service</i>
P. A. FAGUY.....	<i>Assistant Deputy Postmaster General— Personnel</i>
T. BOND.....	<i>Director—Special Assignments</i>
A. DE GASPÉ TACHÉ.....	<i>Director—Staffing</i>
J. R. BULMAN.....	<i>Director—Staff Relations</i>
R. SLATER.....	<i>Director—Personnel Classification</i>
J. A. MACDONALD.....	<i>Comptroller</i>
F. PAGEAU.....	<i>Director—Postal Rates and Classification</i>
C. F. HOBBS.....	<i>Director—Statistical Programs</i>
E. R. TEMPLE.....	<i>Director—Systems and Procedures</i>
M. LYSACK.....	<i>Director—Accounting</i>
R. M. GUNN.....	<i>Director—Budgets</i>
M. FORTIN.....	<i>Director—Management Audit</i>
W. B. EMMERSON.....	<i>Director—Planning and Special Projects</i>
J. G. CUNNINGHAM.....	<i>Director—Information and Public Relations</i>

*District Postal Service (Operations)*

D. R. CLARKE.....	<i>District Director—St. John's</i>
J. P. MORROW.....	<i>District Director—Halifax</i>
G. N. BUDRESKI.....	<i>District Director—Saint John</i>
J. B. DUPUIS.....	<i>District Director—Quebec</i>
L. DUROCHER.....	<i>District Director—Montreal</i>
G. C. CHARLEBOIS.....	<i>District Director—Ottawa</i>
J. G. FULTZ.....	<i>District Director—Toronto</i>
H. F. MURRAY.....	<i>District Director—London</i>
J. C. A. FILIATRAULT.....	<i>District Director—North Bay</i>
J. R. NEWELL.....	<i>District Director—Winnipeg</i>
G. CHELSOM.....	<i>District Director—Saskatoon</i>
W. S. CUMMINGS.....	<i>District Director—Calgary</i>
G. G. WALKER.....	<i>District Director—Edmonton</i>
R. F. REID.....	<i>District Director—Vancouver</i>
J. A. H. CORMIER.....	<i>District Postmaster—Montreal</i>
C. B. MACNABB.....	<i>District Postmaster—Ottawa</i>
J. D. O'CONNELL.....	<i>District Postmaster—Toronto</i>
G. TOAL.....	<i>District Postmaster—Winnipeg</i>
R. W. COLLUM.....	<i>District Postmaster—Vancouver</i>

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# YEAR IN BRIEF



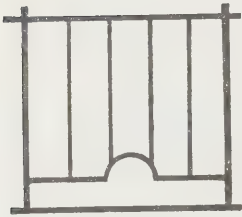
Mail volume — pieces

4.9 billion



Businesses and households served

4,399,386



Post offices in service

11,050



Personnel

46,760



Revenues

\$305,472,750

Costs

\$353,237,080

Deficit

\$47,764,320

## CANADIAN POST OFFICE ANNUAL REPORT 1967

### Introduction

In this year's report, April 1 1966 to March 31 1967, the most prominent factor is the deficit of the Canada Post Office. This position is not a new one but the extent it has reached this year is.

During the decade from 1957 to 1966 the Canada Post Office had one surplus of 5.8 million dollars and nine deficits ranging from .4 million dollars to 30.7 million. The average yearly deficit for the ten year period was 20.6 million dollars, which is approximately 4 million dollars less than the average yearly amount charged against Post Office operations for the accommodation provided by the Department of Public Works.

A national statistic of importance which must be considered in placing the Post Office figures in proper context, is the growth rate in Canada. In the decade from 1957 to 1966, the population of Canada increased 21.7%, from 16,081,000 to 19,571,000 and the gross national product increased 53.5%, from 31.9 million constant dollars to 49 million constant dollars.

In this same period, the staff of the Canada Post Office increased from 30,000 to 44,000 while revenues went from 168 million dollars to 285 million dollars. Over this 10 year span, transportation costs rose from 49 million dollars to 72 million dollars, and salary totals went from 104 million dollars to 194 million dollars.

Increases in revenues brought about through efficiencies, rate adjustments and larger volumes were offset constantly by the cost of increased services, additional personnel, rising labour costs and higher transportation charges.

The position reported on in this submission shows a larger deficit than has been experienced before. The Canada Post Office for the fiscal year 1966-67 had a dollar deficit of \$47,764,322.

This sharp increase in the deficit represents 107% increase over the average yearly deficit of the last decade and an increase of 55.3% over the 1965-66 deficit.

While transportation costs and increased services contribute to the greater expenditures of the Canada Post Office, the main contributing factor to the increased deficit is salary costs. As an example, the Letter Carriers and Postal Clerks were granted successive increases in 1965-66 and 1966-67 of 12.2% and 10.2%, respectively.

These increases followed negotiations with Treasury Board. The wage scale which received favourable comments from all segments of the Canadian scene now stands at \$5,485. per year as the top salary for Letter Carriers and \$5,725. for Postal Clerks.

### **Service Changes**

While the Canada Post Office is in an unfavourable financial position the services it provides to the citizens of Canada are expanding and improving.

The distance factor in moving mails in Canada has been largely overcome through the air transport of all first class mails weighing up to eight ounces. The area where improvement was required was in short haul mails. To rectify this situation, a national study was undertaken for the establishment of distributing offices. These offices will be centrally located in geographic or socio-economic areas and will be the main offices for the receipt and despatch of mails for the area. Dependent offices will receive mails more quickly and at periods of the day more suitable to the needs of the community. The outgoing mails from the dependent offices will be centralized on the distributing offices for a more complete handling and despatch to destination. Some distributing offices are already in operation and are proving the logic of the concept and others will follow as soon as arrangements can be made for their establishment.

In line with the distributing office concept, but for a lesser area, small marginal post offices are being closed and the patrons served by the creation or extension of rural routes from larger post offices in the area where mails can be handled more efficiently and where the quality of the service to the public is of a higher calibre.

No facet of the postal operation was too small to receive attention and study. Metropolitan centres with their expanding industrial areas were reviewed and postage meter regulations were relaxed to permit posting of mails at offices other than where the meters were set. With the increasing use of data processing cards in industry postal policy was updated to permit quantity mailings of data cards either at parcel post or letter rates, the option being left to the mailer.

Continued progress was made in our efforts to accord international surface and air mail the most expeditious handling and routing possible with special emphasis on services operating between Canada and the Commonwealth countries of the Caribbean.

### **Expansion of Delivery Service**

The delivery of mail by letter carrier and rural route contractor reached an all time high in 1966-67. The expansion this year brought the total of homes and businesses receiving delivery service to 4,399,386.



The expansion was evident throughout Canada as independent letter carrier service was established at Sydney Mines and North Sydney in the Province of Nova Scotia; St-Bruno, Cowansville, Matane, Hauterive and Laprairie in the Province of Quebec; Bowmanville, Paris, Strathroy, Ancaster, Dunville, Parry Sound, Petawawa, Orangeville and Pickering in the Province of Ontario; Selkirk, Manitoba; Lloydminster, Saskatchewan; Camrose, Alberta; Cranbrook, Abbotsford, Duncan, Kimberly and Ladner in the Province of British Columbia.

For these new services, 127 complete and 10 partial letter carrier routes were placed in operation to serve 56,007 points of call.

In addition, 471 complete letter carrier routes and 131 partial letter carrier routes serving 156,186 points of call were added during the year in localities already receiving letter carrier service to take care of community growth.

At the end of the fiscal year, 3,716,090 different points of call were receiving door-to-door delivery by letter carrier and 16,198 families were receiving their mail in group mail boxes, as an interim measure pending the areas meeting the requirements for door-to-door delivery. This service was provided through 7,810 complete and 172 partial letter carrier routes from 227 letter carrier delivery offices. Mailmobiles operated by letter carriers were used on 177 of these routes located at 20 centres across the country.

Rural route and suburban services now number 5,595, serving 667,098 patrons. During the year, 74 new services were established and 1,800 extensions were made to existing routes. In the same period, 104 routes were eliminated through discontinuance or elimination.

### **Staff Increases**

To handle the increased mail volumes and to provide the additional services, 1,885 positions were added to the establishments of the staff post offices and the district offices. These positions were required specifically for the introduction of letter carrier service at 22 centres, the establishment of six new post offices, the extension of letter carrier service in growing communities and to strengthen the staffs handling increased workloads.

### **Post Office Grouping and Buildings**

As the increase in the nation's business reached the smaller communities, the need to reorganize the small revenue post office group was recognized.

In the top eight grades of this group, the Postmasters were now spending a full 40 hour week handling the increased mail volume and post office business. This increase also made it difficult for the Postmasters to continue providing the necessary accommodation.

By bringing the top eight grades into the intermediate semi-staff post office group as Grades 1 and 2, the Postmasters became full-time employees and accommodation was provided through the Department of Public Works.

Of the 11,059 Post Offices in operation on the 31st March, 2,630 of them were housed either in government-owned or leased buildings. During the year, 130 new buildings were occupied and another 134 were still under construction at the end of the fiscal year.

## **Personnel Management**

In 1966-67 the Canada Post Office proved again to career-minded employees that it was a good organization in which to work. During the year, 788 employees received promotions to positions of greater responsibility. More training schools for new employees who would be working as mail sorters were established. Nearly 200 officers of the Department attended outside training programmes offered by such representative institutions as the Public Service Commission, the American Management Association, and Queen's University. In addition to the general outside training, 24 officers were assisted through part payment of tuition fees in taking correspondence and extension courses in subjects related to their work in the Canada Post Office.

In preparation for the introduction of collective bargaining the postal classifications had to be grouped and rated. In all, some 31,000 positions were studied and converted.

Approximately 1,400 senior employees and line supervisors attending training courses in personnel classification and pay administration. The training courses provided administrative and operational personnel with an understanding of classification in the Public Service, with particular emphasis on job analysis, job description writing, and job evaluation.

## **Management Controls**

The Production Control Programme, which was designed to provide management with information and advice on productivity and staff usage so that an efficient and economic mail service could be maintained, was implemented in the staff post offices Grade 9 to 13. A modified version of the programme is now being introduced into the intermediate semi-staff post offices Grades 7 and 8.

The fiscal year 1966-67 saw completion of the first full year's operation of the national service testing programme. This test of the quality of service provided first class mail exchanged between a number of key points across the country is furnishing a clear picture of national mail patterns and pointing up those areas where special attention is required.

The number of enquiries and claims received showed an increase from 313,000 to 339,000. However, the enquiry rate was only .007% of the mail volume.

The total number of items processed through the Undeliverable Mail Office was 38,000,000 as compared with 29,000,000 in the previous fiscal year. Most of this increase was related to third class mail for which procedural

changes had been instituted calling for the diversion to the Undeliverable Mail Office all of third class mail which cannot be delivered and which does not bear a specific request for return to the sender. There was also an increase in the volume of undeliverable parcels but this was not in consistent with increased mailings in this class of mail.

The Cost Ascertainment Programme is now fully operational and is producing the desired results. The sampling of mail services is carried out on a continuous basis in 190 representative post offices. The data collected is an important factor in the financial administration of the Department as it provides the base for determining equitable postage rates for the various classes of mail and services.

### **International Involvement**

The Postmaster General together with the Canadian Postal Delegation, headed by the Deputy Postmaster General, attended the IXth Congress of the Americas and Spain held in Mexico City from the 24th June to the 16th July. The work of this Congress was to review the Acts of the previous Congress in view of evolving events and where necessary to bring the provisions of the Acts into line with more recent changes adopted by the Universal Postal Union.

During the year, the Canada Post Office continued to take an active role in the work of the Universal Postal Union and in the studies initiated by the Executive Council of the Union. As Chairman of the Finance Committee of the Council, Canada is influential in developing and furthering the acceptance in the Universal Postal Union of measures recommended by the United Nations Organization relating to budgetary practices and financial procedures in the Specialized Agencies. The Canada Post Office is also a member of the Air Mail and General Committees of the Council.

# THE POST OFFICE ACROSS CANADA



Autonomous Post Offices •  
Postal District Boundaries —————

Postal District	Offices in operation 31st March 1966	Offices in operation 31st March 1967
St. John's	682	684
Halifax	758	712
Saint John	625	597
Quebec	1,078	1,056
Montreal	1,149	1,158
Ottawa	719	768
Toronto	1,083	1,090
London	531	541
North Bay	461	442
Winnipeg	930	907
Saskatoon	885	876
Calgary	715	698
Edmonton	706	683
Vancouver	850	847
<b>TOTAL</b>	<b>11,172</b>	<b>11,059</b>
<b>NET DECREASE</b>		<b>113</b>

## **APPENDIX 1**



# STATEMENT OF SALES AND COSTS

## I. IN POST OFFICE ACCOUNTS

### SALES

Postage		
Postage Stamps.....	\$110,955,929	
Cash Postage.....	33,190,930	
Postage Meter and Registers.....	132,883,501	
		\$277,030,360
Rental of Post Office Boxes.....		2,385,698
Credits for Foreign Airmail and Surface Transit.....		2,386,769
Terminal Credits for Foreign Parcel Post.....		2,788,513
Profit from Foreign Exchange.....		169,677
Postal Money Orders		
Domestic Fees.....	\$ 9,170,791	
Foreign Commissions.....	13,684	
		9,184,475
Miscellaneous		
Unemployment Insurance Commissions.....	1,246,600	
Government Annuity Commissions.....	39,000	
Other.....	298,266	
		1,583,866
TOTAL SALES <sup>(1)</sup> .....		\$295,529,358

### COSTS

Appropriations		
Administration—Statutory.....	\$ 17,000	
General.....	3,699,204	
Operations.....	181,786,874	
Transportation.....	78,904,367	
Financial.....	4,086,214	
		\$268,493,659
Disbursements from Sales		
Salaries and Commissions—Grades 1 to 6 Revenue and sub offices.....	36,654,807	
Commission to Foreign Countries—Money Orders.....	38,950	
Foreign charges for Canadian Airmail and Surface transit.....	1,624,598	
Foreign Terminal and Transit charges for Canadian Parcel Post.....	2,178,580	
Losses by fire, theft and forgery.....	271,089	
Indemnities for lost C.O.D., Insured and Registered Articles.....	386,861	
Special Delivery Messengers.....	943,302	
Discounts to Postage Vendors.....	1,934	
		\$ 42,100,121
TOTAL COSTS.....		\$310,593,780
EXCESS OF COSTS OVER SALES AS RECORDED IN POST OFFICE ACCOUNTS <sup>(1)</sup> .....		\$ 15,064,422

## II. OTHER DEPARTMENTS' COSTS & REVENUES NOT RECORDED IN POST OFFICE ACCOUNTS

Costs Incurred by Other Departments		
Accommodation (provided by Department of Public Works).....	\$ 27,811,300	
Accounting and Cheque Issue Services (Comptroller of the Treasury).....	637,800	
Contributions to Superannuation Account (Department of Finance).....	9,438,700	
Contributions to Canada Pension Plan Account (Department of Finance).....	2,856,500	
Employee Surgical-Medical Insurance Premiums (Department of Finance).....	1,137,200	
Employee Compensation Payments (Department of Labour).....	245,600	
Interest Paid on Post Office Savings Bank Account at 2½% (Department of Finance).....	516,200	
TOTAL.....		\$ 42,643,300
Revenues Attributable to Post Office		
Government of Canada Mail Free of Postage.....	6,275,100	
Interest on Money Order Float at 5½ percent.....	2,510,600	
Interest on funds in Savings Bank Accounts at 5½ percent.....	1,157,700	
TOTAL.....		9,943,400
EXCESS COSTS INCURRED BY OTHER DEPARTMENTS OVER REVENUES ATTRIBUTABLE TO POST OFFICE..		\$ 32,699,900
TOTAL GOVERNMENT DEFICIT ON POST OFFICE OPERATIONS.....		\$ 47,764,322

<sup>(1)</sup>Does not include "Revenues Attributable to Post Office."



**STATEMENT OF SALES AND COSTS**  
**FISCAL YEARS 1957-58 TO 1966-67**

In Millions of Dollars

Fiscal Year	Sales		Costs				Surplus* or Deficit
	Postal Sales	Services provided to Government departments	Total	Expenditures paid from parliamentary appropriations	Expenditures paid directly from sales	Services provided by Government departments	Total
1957-58.....	177.5		177.5	153.3	24.6	.....	177.9 .4
1958-59.....	183.4	3	186.4	157.8	25.8	27.8	211.4 25
1959-60.....	193.7	3.2	196.9	165.8	26	28.5	220.3 23.4
1960-61.....	202	3.6	205.6	178.4	28.4	30	236.8 31.2
1961-62.....	213.6	3.9	217.5	185	29.8	31.7	246.5 29
1962-63.....	222.4	4.3	226.7	189.3	29.5	32.6	251.4 24.7
1963-64.....	235.9	4.4	240.3	206.9	35.1	35.2	277.2 36.9
1964-65.....	263.8	4.9	268.7	210.5	33.3	35.8	279.6 10.9
1965-66.....	276	9.1**	285.1	240.2	38.5	37.1***	315.8 30.7
1966-67.....	295.5	9.9**	305.4	268.4	42.1	42.6***	353.1 47.7

\*\*Includes interest computed on balances in money order account and savings bank funds.

\*\*\*Includes interest paid to savings bank depositors.

## POSTAL SALES

	1965-66	1966-67	Increase or Decrease*
	\$	\$	\$
Postage			
Stamp sales.....	105,878,986	110,955,929	5,076,943
Meter and Register Sales.....	120,240,809	132,883,501	12,642,692
Payments in Cash			
First Class (letters).....	872,159	1,107,195	235,036
Second Class (newspapers and magazines).....	8,750,719	9,223,036	472,317
Third Class (Printed material).....	14,182,658	15,002,427	819,769
Fourth Class (parcels).....	10,966	65,005	54,039
Government Mail.....	7,896,922	7,793,267	103,655*
	257,833,219	277,030,360	19,197,141
Post Office Box rentals.....	2,433,004	2,385,698	47,306*
Money Order Fees.....	9,087,566	9,170,791	83,225
Commission on foreign money orders.....	12,125	13,684	1,559
Profit on exchange transactions with other countries.....	195,369	169,676	25,693*
Charges on parcels from abroad.....	2,712,442	2,788,514	76,072
Charges for transit of foreign mail in and through Canada.....	2,299,996	2,386,769	86,773
Fees from sale of Unemployment Insurance stamps and meter impressions.....	1,240,000	1,246,600	6,600
Fees for collection of Government annuity premiums.....	69,000	39,000	30,000*
Miscellaneous.....	167,837	298,266	130,429
TOTAL.....	276,050,558	295,529,358	19,478,800

## EXPENDITURES PAID DIRECTLY FROM POSTAL SALES

	1965-66	1966-67	Increase or Decrease*
	\$	\$	\$
Salaries and Allowances			
Revenue Post Offices.....	12,311,983	11,804,402	507,581*
Semi-Staff Post Offices.....	16,109,473	19,398,564	3,289,091
Sub Post Offices.....	5,171,442	5,451,841	280,399
Discount to vendors of Postage Supplies.....	13,917	1,934	11,983*
Special Delivery Messengers.....	894,375	943,303	48,928
Losses by fire, theft and forgery <sup>(1)</sup> .....	149,638	271,089	121,451
Commission on Canadian money orders payable in foreign countries.....	35,729	38,950	3,221
Charges on parcels to foreign countries.....	1,969,101	2,178,580	209,479
Charges for transit of Canadian mail in and through foreign countries.....	1,529,131	1,624,598	95,467
Claims paid on insured, C.O.D. and registered items.....	327,183	386,861	59,678
	<u>38,511,972</u>	<u>42,100,122</u>	<u>3,588,150</u>

<sup>(1)</sup>Losses in 1966-67 include \$26,554 in cash. The balance is postage supplies and stamps.

# EXPENDITURES PAID FROM PARLIAMENTARY APPROPRIATIONS

	Operations		Transportation		Financial Services		Administration		Total
	\$		\$		\$		\$		\$
*Postmaster General—Salary and Motor Car Allowance.....									16,999.92
*Miscellaneous Gratuities.....									1,584.32
*Refunds of Revenue—Previous Years*									821.43
Continuing Establishment.....	152,392,142.28		406,270.15		1,830,500.90		2,710,153.78		157,339,067.11
Casuals and others.....	10,566,329.37				49,156.54		4,117.54		10,619,603.45
Overtime.....	9,549,103.13		160.78		25,682.74		11,251.31		9,586,197.96
Night Differential.....	1,567,100.38								1,567,100.38
Isolated Post and other allowances.....	98,678.74								98,678.74
Mileage Allowance.....	214,266.82								214,266.82
Corps of Commissioners.....	44,897.71								44,897.71
Other Professional and Special Services.....	9,649.62								9,649.62
Security Transfer of Cash Deposits and use of Night Depository Service.....									69,800.03
Travel and Removal Expenses.....	569,917.26				33,631.62		24,902.32		39,266.28
Freight, Express and Cartage.....	93,046.52		9,582.56		1,758.37		266,261.68		33,631.62
Telephones and Telegrams.....	255,983.32						935.70		847,519.87
Publication of Departmental Reports and other Material.....	57,344.53		3,285.69		7,240.33		30,251.86		296,761.20
Exhibits, Advertising, Films, Broadcasting and Displays.....							49,276.54		106,621.07
Office Stationery, Supplies and Equipment.....	1,050,119.99		3,663.67		78,990.20		358,909.68		358,909.68
Rental of Accounting Machines.....					159,190.77		151,043.56		1,283,817.42
Mail Bags and Letter Carriers' Satchels.....	886,302.18								159,190.77
Uniforms.....	1,016,186.07								886,302.18
Material and Supplies.....	890,109.76								1,016,186.07
Money Order Forms.....					152,294.84				890,109.76
Manufacture of Postage Stamps and Stamped Postage Supplies.....					1,706,456.98				152,294.84
Postage Meter and Postage Register Supplies.....					40,682.13				1,706,456.98
Rental of Storage Space.....	9,941.14						9,941.14		40,682.13
Acquisition of Equipment.....	1,738,345.24								9,941.14
Repairs and Upkeep of Equipment.....	408,023.49				70.28		279.31		1,738,345.24
Rental of Equipment.....	126,606.38								408,373.08
School Fees and Public Utility Services.....	13,134.76								126,606.38
Canada's Share of the Upkeep of the International Bureaux at Berne and Montevideo.....							43,750.25		13,134.76
Unemployment Insurance Contributions.....	206,533.38				557.97				43,750.25
Sundries.....	3,111.78						16,048.47		207,091.35
Mail Service by Railway.....			14,061,288.77						19,160.25
Mail Service by Ordinary Land Conveyance including Rural Mail Delivery.....			40,889,275.65						40,889,275.65
Mail Service by Air.....			21,205,534.18						21,205,534.18
Mail Service by Water.....			2,325,305.41						2,325,305.41
TOTAL.....	181,786,873.85		78,904,366.86		4,086,213.67		3,716,204.33		268,493,658.71

\*Statutory.

**OPERATIONS OF THE POST OFFICE SAVINGS BANK  
FOR THE TEN FISCAL YEARS ENDED MARCH 31, 1967**

Year ending 31 March	Balance on deposit beginning of Fiscal Year	Amount of deposits	Interest Allowed to Depositors	Amount of Withdrawals	Balance on deposit end of Fiscal Year	Number of Accounts end of Fiscal Year	Average at credit of depositors end of Fiscal Year	Number of Post Office Savings Banks 31st March
	\$	\$	\$	\$	\$		\$	
1958.....	35,918,498.99	9,097,663.78	852,084.85	10,972,519.00	34,895,728.62	300,619	116.08	1,466
1959.....	34,895,728.62	8,611,890.27	820,954.60	10,172,956.18	34,155,617.31	302,349	112.97	1,477
1960.....	34,155,617.31	7,235,391.37	774,960.74	12,793,511.38	29,372,460.93	302,611	97.06	1,484
1961.....	29,372,460.93	6,199,420.08	698,642.84	7,757,737.74	28,512,786.11	302,672	94.20	1,500
1962.....	28,512,786.11	5,790,429.07	675,928.71	7,614,024.93	27,365,118.96	302,079	90.59	1,508
1963.....	27,365,118.96	5,072,613.01	642,107.08	7,199,359.87	25,880,479.18	301,277	85.90	1,521
1964.....	25,880,479.18	4,813,401.99	608,779.13	6,697,740.63	24,604,919.67	301,024	81.72	1,525
1965.....	24,604,919.67	4,283,949.81	578,578.84	6,212,491.13	23,254,957.19	299,739	77.58	1,523
1966.....	23,254,957.19	3,995,127.37	547,340.19	5,773,495.47	22,023,929.28	298,615	73.75	1,527
1967.....	22,023,929.28	3,987,952.23	516,230.98	5,772,449.72	20,755,662.77	297,676	69.73	1,549





## **APPENDIX 2**

## AIR MAIL STATISTICS

Service	1965-66		1966-67	
	Mail Carried	Cost	Mail Carried	Cost
		\$		\$
Air Canada—Domestic.....	14,368,851 (ton-miles)	7,986,373	16,067,694 (ton-miles)	8,229,660
Air Canada—International.....	1,867,364 (pounds)	4,719,344	2,029,486 (pounds)	5,129,497
C.P.A.—Domestic.....	505,128 (ton-miles)	1,251,738	783,909 (ton-miles)	1,616,788
C.P.A.—International.....	1,022,364 (pounds)	2,529,749	1,286,251 (pounds)	3,388,533
Others—Domestic.....	1,651,671 (ton-miles)	2,481,319	1,902,334 (ton-miles)	2,842,067
		18,968,523		21,206,535

## CITY SERVICES STATISTICS

Services	1965-66		1966-67	
	No. of Services	Cost	No. of Services	Cost
		\$		\$
Parcel Post Delivery.....	204	6,596,118	166	6,413,266
Street Letter Box Collections.....	362	3,574,334	337	3,568,180
Combined Urban Services.....	44	*	93	1,739,663
Conveyance of Postal Personnel.....	246	1,262,728	312	1,507,437
Other (Shuttle, Mobile, Terminal, etc.)....	241	3,575,066	259	4,060,536
Departmental Operations.....	1 Windsor	154,162	**4	208,200
		15,162,408		17,497,282

\*Combined Urban Services represent the performance of Parcel Post, Special Delivery and Street Letter Box Collections under a single contract. The expenditure for 1965-66 is included with the amounts shown for Parcel Post Delivery and Street Letter Box Collections.

\*\*At Ladner, B.C., Milton, Ontario, and Pickering, Ontario, all parcel post delivery and special delivery are delivered by motorized letter carriers, and street letter box collections are performed by postal personnel using the same vehicles.

## HIGHWAY SERVICE STATISTICS

	1965-66	1966-67
Number of Services.....	485	518
Cost of Highway Services.....	\$7,170,748	\$8,246,947.76

## RURAL SERVICE STATISTICS

### Rural Mail Delivery (including Suburban Services)

	1965-66	1966-67
Number of Routes.....	5,625	5,595
Number of Extensions.....	1,120	1,080
Number of Householders.....	660,629	667,098
Cost of Rural Mail Delivery.....	\$11,441,187	\$11,924,142.44

## SIDE SERVICES

	1965-66	1966-67
Number of Services.....	939	796
Cost of Side Services.....	\$709,208	\$646,434.73

## STAGE SERVICES

	1965-66	1966-67
Number of Services.....	1,787	1,691
Cost of Stage Services.....	\$2,723,500	\$2,782,665.56

## RAILWAY MAIL STATISTICS

	1965-66	1966-67
Railway Post Offices in Operation.....	34	26
Baggage Car Services.....	219	226
Number of Railway Mail Clerks.....	387	330
Miles Travelled by Railway Mail Clerks.....	16,279,096	14,284,454
Cost of Mail Service by Railway.....	\$13,724,631	\$14,057,624

## WATER SERVICE STATISTICS

	1965-66	1966-67
Number of Domestic Water Routes.....	27	23
Cost of Domestic Water Services.....	\$ 802,249	\$ 727,208
Cost of International Water Services.....	\$1,571,901	\$1,527,578
Cost of Top Wharfage.....	\$ 69,684	\$ 75,408
Total Cost of Water Services.....	\$2,443,834	\$2,330,194

## TOTAL STAFF BY TYPE OF OFFICE

	Full-Time	Part-Time	Total
<b>PAID OUT OF PARLIAMENTARY APPROPRIATION</b>			
Headquarters.....	1,037		1,037
District Offices (14).....	1,047		1,047
Railway Mail Service.....	330		330
Post Offices Grade 7 to 13 (377).....	26,930	3,200	30,130
Sub Total.....	29,344	3,200	32,544
<b>PAID OUT OF POSTAL REVENUE</b>			
Post Offices Grade 1 to 6 (1,740).....	3,217	2,218	5,435
Post Offices Group 1 to 23 (6,125) (Note 1).....	6,125		6,125
Sub Offices (Note 2).....		2,354	2,354
Seasonal Offices.....		309	309
Sub Total.....	9,342	4,881	14,223
GRAND TOTAL.....	38,686	8,081	46,767

NOTE 1—Some of these Postmasters devote full time to Postal duties and are under Superannuation. The others are not devoting their entire time to Postal duties.

NOTE 2—These employees do not devote their full-time to Postal duties and do not come under the Superannuation Plan.

## TURNOVER—HEADQUARTERS AND FIELD

	Total Staff	Separations	Rate of Turnover
Headquarters.....	1,037	98	9%
Field—District and Post Offices.....			
Grade 7 to 13 (Full-Time).....	28,307	2,006	7%
Post Offices Grade 1 to 6 (Full-Time).....	3,217	172	5%
Post Offices Group 1 to 23.....	8,788	756	8.6%
TOTAL.....	41,349	3,032	7%

## REVENUE POST OFFICE BUILDINGS

(Winter Works Programme)

Province	Buildings Completed 1966-67	Buildings under Construction 31st March 1967
Newfoundland.....	18	15
Prince Edward Island.....	4	4
Nova Scotia.....	11	11
New Brunswick.....	10	21
Quebec.....	45	57
Ontario.....	4	10
Manitoba.....	3	—
Saskatchewan.....	—	—
Alberta.....	—	—
British Columbia.....	—	1
Northwest Territories.....	—	—
Yukon.....	—	—
TOTAL.....	95	119

## POST OFFICE DEPARTMENT BUILDING PROJECTS

Province	Buildings Completed 1966-67	Buildings under Construction 31st March 1967
Newfoundland.....	3	1
Prince Edward Island.....	—	—
Nova Scotia.....	1	3
New Brunswick.....	2	—
Quebec.....	10	3
Ontario.....	12	5
Manitoba.....	—	—
Saskatchewan.....	1	—
Alberta.....	—	—
British Columbia.....	1	2
Northwest Territories.....	—	1
Yukon.....	—	—
TOTAL.....	30	15

## POSTAL ACCOMMODATION

	Public Buildings	Leased Buildings	Nat. Def.	Total
Newfoundland.....	157	21	1	179
Prince Edward Island.....	27	1	1	29
Nova Scotia.....	157	14	3	174
New Brunswick.....	109	10	2	121
Quebec.....	464	192	7	663
Ontario.....	380	231	8	619
Manitoba.....	101	53	2	156
Saskatchewan.....	144	118	1	263
Alberta.....	115	116	3	234
British Columbia.....	110	65	2	177
Northwest Territories.....	5	4	—	9
Yukon.....	3	2	1	6
TOTAL.....	1,772	827	31	2,630



















AUG 13 1986



